

Impact of Sponsorship on Consumer Brand Perception

State of Research and a Case Study in the Wealth
Management Industry

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Abbreviations

AEV	Advertising Equivalent Value
ANOVA	Analysis of Variances
APAC	Asia Pacific
BE	Brand Equity
BEM	Brand Equity Monitor
CATI	Computer-Aided Telephone Interviews
CATREG	Categorical Regression
CBBE	Customer-Based Brand Equity
cf.	confer, compare
df.	degrees of freedom
e.g.	exempli gratui (lat.), for example
ELM	Elaboration Likelihood Model
f.	following page
ff.	following pages
HNWI	High Net Worth Individual
IEG	International Events Group
OM	Orchestral Music
PR	Public Relations
p.	page
pp.	pages
ROI	return on investment
sig.	significance
spons.	sponsorship
S-O-R	Stimulus-Organismus-Response
SPSS	Statistical Package for Social Science
SRI	Sponsorship Research International
std.	standard / standardized
UK	United Kingdom
US	United States
USD	US Dollar
vs.	versus (lat.), compared to

1. Introduction

1.1. Introduction and aim

Sponsorship has developed quickly over the last few years. The estimated worldwide investment volume in sponsorship increased from USD 5 billion in 1990 to 49 billion in 2006, and sponsorship plays an increasingly important role in the corporate marketing mix.¹

With the increasing costs of advertising and the simultaneous supersaturation of consumers with advertising messages, sponsorship is seen as an alternative that helps firms to differentiate from competitors and at the same time transfer specific brand attributes to their target audience.² Promoting firm and product preference, increasing the level of brand recognition and creating an image increase are among the main purposes of sponsorship investments.³ Since these objectives are difficult to measure, there is often a high level of insecurity on how efficiently the sponsorship investments are allocated.

Taking into consideration the increasing amounts spent on sponsorship, it is surprising how little is actually known about the effectiveness of this communication measure. Many books have been published on the use, management, planning or implementation of sponsoring measures. However, very few consolidated approaches to measure sponsorship effects in the sense of a controlling system have emerged so far,⁴ and well-founded empirical investigations about sponsorship effects are very rare.⁵ The comparative impact of different types of sponsorship (e.g. golf, classical music, or art) on specific branding areas has also never been investigated.

Such results are of great interest not only for the scientific community, but also for those interested in practical applications of such data, e.g. companies that invest increasingly large sums in sponsorship activities whose effects on the company's brand they can hardly estimate. Not only for strategic planning, but also for the tactical implementation of activation measures, sponsorship decision makers are dependent on well-founded results.

Indeed most companies do measure the effect of their sponsorship in some way, but rarely in a systematic manner.⁶ Often measures mainly focus on estimating an equivalent value in advertising or media exposure, which is derived from advertising research and directly applied to sponsorship. Such measures are too narrow in focus, as they are restricted to monetary value and miss the heart

¹ cf. SRI (2001), Giscard d'Estaing (2006)

² cf. Schwaiger (2001), p. 3; Coppetti 2004, p. 15

³ cf. Drennan / Cornwell (2004), p. 1123; Redmandarin (2004), p. 21; Ukman (2004), p. 8

⁴ cf. Walliser (2003), p. 6; Cornwell / Maignan (1998), p. 8

⁵ cf. Schwaiger (2001), p. 8

⁶ cf. Cotting (2000), p. 95

of sponsorship engagement.⁷ However, company-specific approaches and the results of sponsoring controlling projects are often treated as confidential and are therefore not available to the broader public.

This thesis will use the results of a sponsorship measurement that was conducted at a large global financial institution in 2005 and 2006. For this company, sponsorship measurement has been a relatively new field of research. After the initiation of a single brand strategy the company reconsidered its global sponsorship portfolio and defined a new sponsorship strategy. Thereby four different sponsorship platforms were identified which were supposed to transmit the most important brand elements consistently across different regions and all business groups to the right target audience. Part of the sponsorship strategy was a mandate to develop a measurement system to evaluate the effectiveness of the different sponsorship activities. Based on this mandate, a sponsorship measurement framework was elaborated that aims to capture the effects of sponsorship on brand, business and employee. The consistent use of a comparable approach across all different sponsorship platforms opens a wide and relatively unexplored field which probably no competitor has ever explored in such detail.

This thesis will explore the brand-building potential of sponsorship using selected results of the observed firm's sponsorship measurement. It aims to provide a contribution to the continuously growing field of sponsorship measurement and to stimulate the growing dialogue between practice and science.

1.2. Research Questions

This thesis will look at the impact that sponsorship activities may potentially have on a sponsor's brand perception and how the effectiveness of sponsorship can be measured. There are basically two different perspectives to consider: that of the sponsor, who would like to enhance its brand perception among consumers, and that of the individual consumer, who is reacting to corporate sponsorship stimuli. Although the consumer's viewpoint is important to thoroughly understand the mechanisms of brand perception change, the focus in this thesis is on the corporate perspective. This is due to the fact that companies are looking for ways to maximize the brand and business outcome of sponsorship investments, and this question can only be answered by having a closer look at the way that sponsorship is managed by the corporation.

Overall, the thesis addresses four research questions:

⁷ cf. Ukman (2004), p. vii; Pham (1991), p. 51

- **Question 1: How can sponsorship effects be measured?**

In the first part, it will be investigated how – and if – sponsorship effects can be measured. The main research question in this area is what measurement techniques are currently in use and which assessment models exist to help companies assess the effectiveness and efficiency of their sponsorship investments. This field of research is widely neglected, yet is getting more and more attention from practitioners as well as scholars simply due to the fact that the share of sponsorship in the overall marketing budget is rising and overall sponsorship investments have reached a critical size.⁸

- **Question 2: How can sponsorship effects be explained?**

In a second step, it will be examined what approaches and models exist to explain sponsorship effects from an individual's perspective. The main questions are what mental processes are at work in changing a consumer's brand perception when being exposed to a sponsorship stimulus, and in what respect the image building mechanisms work differently with respect to sponsorship in comparison with other corporate communications activities (e.g. advertising). This type of research is mainly focused on psychological areas of information retrieval and processing.

- **Question 3: What empirical evidence of sponsorship effects exists?**

The first two questions were of a purely theoretical nature and aimed to show different approaches that can help to better understand and track sponsorship effects. However, the important question for sponsors is if these models also hold up to empirical testing, and if attitudinal or behavioral effects can actually be observed in reality. The third research question will follow up on this area and provide all necessary empirical insights that can be gleaned from currently existing research.

- **Question 4: What can be learnt from the measurement results of a top-tier global sponsor?**

This research question will be addressed by using the example of a global wealth management company that invests a great deal of its budget in sponsorship and which has allocated substantial resources into setting up a measurement system to track the impact of its sponsorship activities on the corporate brand. Out of the many effects that sponsorship may potentially have, the company has defined two aspects as being particularly important: The first area is the impact on selected brand-equity related metrics, such as brand

⁸ cf. Walliser (2003), p. 20ff, Schwaiger (2001), p. 9; Cornwell / Maignan (1998), p. 8ff

awareness, familiarity, favorability and consideration; the second area is the transfer of image attributes from sponsorship properties to the company. These topics were inspired by a need of the wealth management firm to evaluate the effectiveness of its sponsorship portfolio and to base future investment decisions on well-founded empirical data. Only a few years ago, in the company hardly anything was known about the potential role sponsorship could play in the firm's endeavor to build a global brand. To properly plan and manage the activities, sponsorship managers were faced with very concrete questions, such as: Which aspects of the brand are likely to be positively influenced by sponsorship? Can favorable feelings and brand consideration be increased? Are reactions to cultural and sport sponsorship identical? Is there a general image transfer effect, or does it differ by sponsorship area? Do reactions depend on the target group? etc.

The aim of this case study is to provide empirically founded answers to the following aspects of the impact of sponsorship on the company's brand:

- a) The usefulness of sponsorship to increase brand awareness and familiarity
- b) The effect of sponsorship on increasing brand consideration and favorability
- c) The differential impact of various sponsorship areas (e.g. sports vs. cultural)
- d) The transfer of image attributes and generic values from events to the sponsor

Furthermore, an interesting aspect is how the company has managed to include the answers to these questions in a broader framework of sponsorship property assessment. Since brand related objectives are only part of the overall sponsorship objectives, other aspects must be included as well. The most important of these is the performance of sponsorship-linked hospitality events (business impact), as well as the press and TV coverage that was generated. The company managed to include all these different measures in an overall sponsorship assessment model. This thesis will follow the logic that was applied by the company to come up with a comprehensive sponsorship assessment model.

1.3. Methodology

Since sponsorship research is a relatively new field and there are only a limited number of theoretical approaches and empirical studies, a heuristic research approach was chosen in this thesis. As outlined above, some areas will be discussed at first from a theoretical viewpoint. Thereby the focus will be on displaying current theoretical and empirical thinking about sponsorship and the relationship between sponsorship and brand perception.

In a second step, based on existing research as well as theoretical considerations, a range of different hypotheses will be formulated. These hypotheses will then be tested empirically using data sources of the observed wealth management firm's sponsorship measurement framework. Empirical testing will include some descriptive data exploration well as the use of multivariate statistical analysis. The firm has already conducted different surveys about various sponsorship properties in different geographical regions. These surveys all aim to measure the branding impact of sponsorship in some way. The following list gives a broad overview of the different data sets that are available for the analysis:

- *Global sponsorship study*: Global quantitative study on the target audience (affluent private investors) about their interests in different leisure areas, their image of sponsorship areas, their image of the firm, and basic attitudes towards sponsorship.
- *Brand Equity Monitor*: Global quantitative study on the target audience to measure all relevant brand metrics of the firm and its key competitor in the financial services sector. Besides brand equity measurement, the study includes awareness metrics of different sponsorship properties.
- *Pre-post studies*: two-wave survey among the firm's general target audience before and after a major sponsorship event to measure increase in sponsorship awareness and changes in brand perception. Pre-post surveys are only conducted around the firm's largest sponsorships that include major advertising and PR activities.
- *On-site surveys*: survey among visitors of events sponsored by the firm. On-site surveys have already been carried out for many different events, among them golf tournaments, classical concerts, and art exhibitions.

All these data sources are of a quantitative nature and are based on a large number of responses. Although the large amount of data available allows conducting sound statistical analysis, a strictly quantitative approach is not capable of revealing the underlying emotional aspects that may play an important role in explaining attitudinal changes. To better understand such emotional aspects, a global qualitative study was conducted among the firm's general target audience. The results of the qualitative study will help to better understand and explain attitudes and reactions towards sponsorship.

Finally, it will be observed how the results of the different studies were embedded in an overall sponsorship assessment model. As outlined above, a few other aspects have not been covered by the aforementioned studies, namely the business impact of client events (in terms of sponsorship events generating new business and attracting new clients), the media impact (in terms of sponsorship generating unpaid brand exposure on TV and in newspapers / magazines) and the potential impact of sponsorship on employees. To set up an exhaustive assessment system, such

aspects will also be included in the model in order to come up with an overall assessment score for each property or sponsorship platform. This thesis will have a close look at the methodology of this model and discuss its strengths and weaknesses.

1.4. Scope of research

In this thesis the word 'sponsorship' is used according to the way it is defined within the observed financial services firm. Sponsorship is, in the widest sense, a marketing and communication tool which is supposed to support the branding and business objectives of different business groups across all geographical areas. Sponsorship is commercially based and aims directly or indirectly at improved financial success. In this concern, sponsorship differs from related terms such as patronage, pure event marketing or corporate giving.

The research is also restricted to the areas of cultural and sport sponsorships.⁹ Further sponsoring areas, such as social or environmental sponsorship as well as sports and cultural sponsorship that are not part of the firm's sponsorship strategy will not be examined in this thesis.

Since the research is focused on one distinct company only, it may be useful to know if research results are also applicable to a wider group of companies that are involved in sponsorship. This question will not be further investigated. However, it is likely that most of the implications drawn for the selected company might be applied to direct competitors or other firms that have a similar branding approach.

1.5. Structure of thesis

The thesis is divided into two major parts: The first part will give a state-of-the-art overview of current academic sponsorship research, including theoretical thinking as well as empirical research. The second part will then document in detail the background, the methodology and the results of the empirical analysis that was conducted, using the example of a leading global wealth management firm.

Part A: The aim of part A is to review the state of research in the area of sponsorship research and measurement. Part A is divided into four chapters: Sponsorship (chapter 2), measurement of sponsorship effects (chapter 3), explanation of sponsorship effects (chapter 4), and empirical studies on sponsorship effects (chapter 5). *Chapter 2* will show the historical roots of sponsorship, the

⁹ Four different platforms are examined: orchestral music and contemporary art in the area of culture sponsoring as well as golf and sailing in the area of sport sponsoring.

different areas that sponsorship has developed into, definitions, the structure of the sponsorship market, and discuss the role of sponsorship in the corporate communications mix. *Chapter 3* follows the first research question: How can sponsorship effects be measured? First, some methodological considerations about sponsorship measurement will be shown, and different measurement techniques will be presented. The chapter will then describe some sponsorship controlling models that are used in practice. *Chapter 4* discusses the second research question: how can sponsorship effects be explained? The chapter summarizes some approaches that are used to explain the effects of sponsorship, including models of cognitive psychology as well the more comprehensive approaches found in the recent academic sponsorship literature. Since integrated theoretical approaches are scarce, a closer look will be taken on moderating factors that are likely to have an influence on sponsorship effects. *Chapter 5* will answer the third research question: What can be learnt from empirical studies? It will be shown what empirical research has revealed so far about the relationship between sponsorship and brand perception, and to what extent theoretical models have been validated.

Part B shows details around an applied sponsorship measurement system that was introduced by a globally operating wealth management company. Part B basically attempts to answer the fourth research question: What can be learnt from the measurement results of a top-tier global sponsor? The core of part B is an empirical analysis of data about impact of sponsorship on brand perception that was gathered by the company over a period of two years. Part B can be subdivided into three areas: firstly, the conceptual background of the company's measurement system will be shown (chapters 6 and 7); secondly the methodology and the results of the empirical studies will be shown in some detail (chapters 8 and 9); and thirdly it will be presented how the empirical results are implemented into the firm's overall sponsorship evaluation and what strategic and tactical implications can be drawn from it (chapters 10 and 11).

Chapter 6 (Conceptual background) introduces the way the company measures its sponsorship activities. To better understand the depth and breadth of the measurement system, an overview of the firm's sponsorship portfolio is given, providing some important details about individual properties and activation tactics. Furthermore, it is shown what approaches the company has used to define and measure its brand equity, which will play an important role in the empirical analysis. *Chapter 7 (Research question and hypotheses development)* first outlines the exact research questions and explains the underlying rationale. Research questions are divided into two broad areas: brand equity related and image transfer related. For each of these areas, a conceptual framework is developed that shows the assumed connections among all included variables, such as sponsorship awareness, brand equity and brand image. Based on the conceptual framework and referring to other data sources, a set of specific hypotheses is developed that serve as a base for

empirical testing. *Chapter 8 (Methodology)* then shows in detail the methodological aspects of how the empirical analysis was conducted. First, some basic considerations about survey research are made. Then, the target population and sampling procedures will be defined and all relevant data sources are specified. A further issue is the operationalization of measured variables, an especially crucial aspect when defining brand equity. Finally, the chapter will focus on the different statistical procedures that were applied. *Chapter 9 (Results)* will display and discuss all the results of the different statistical analyses that were conducted. Results are divided into two areas: brand equity related and image transfer related. *Chapter 10 (Sponsorship scoring model)* will then give a broader picture of the firm's approach to include the empirical results in a comprehensive sponsorship scoring model. Assumptions and functionalities of the model will be shown, and different sponsorship platforms and properties will be assessed with the scoring model. The model will also be discussed in terms of its advantages and drawbacks. In *chapter 11 (Implications of the results)*, management implication of the empirical findings will be presented, which are broadly divided into two areas: sponsorship strategy and activation tactics.

Finally, *chapter 12 (Summary and outlook)* will review the various findings and conclusions of chapters 1-11 and give an outlook on what impact these results could have on future sponsorship measurement activities.

The structure of the thesis is shown graphically in figure 1 (see next page):

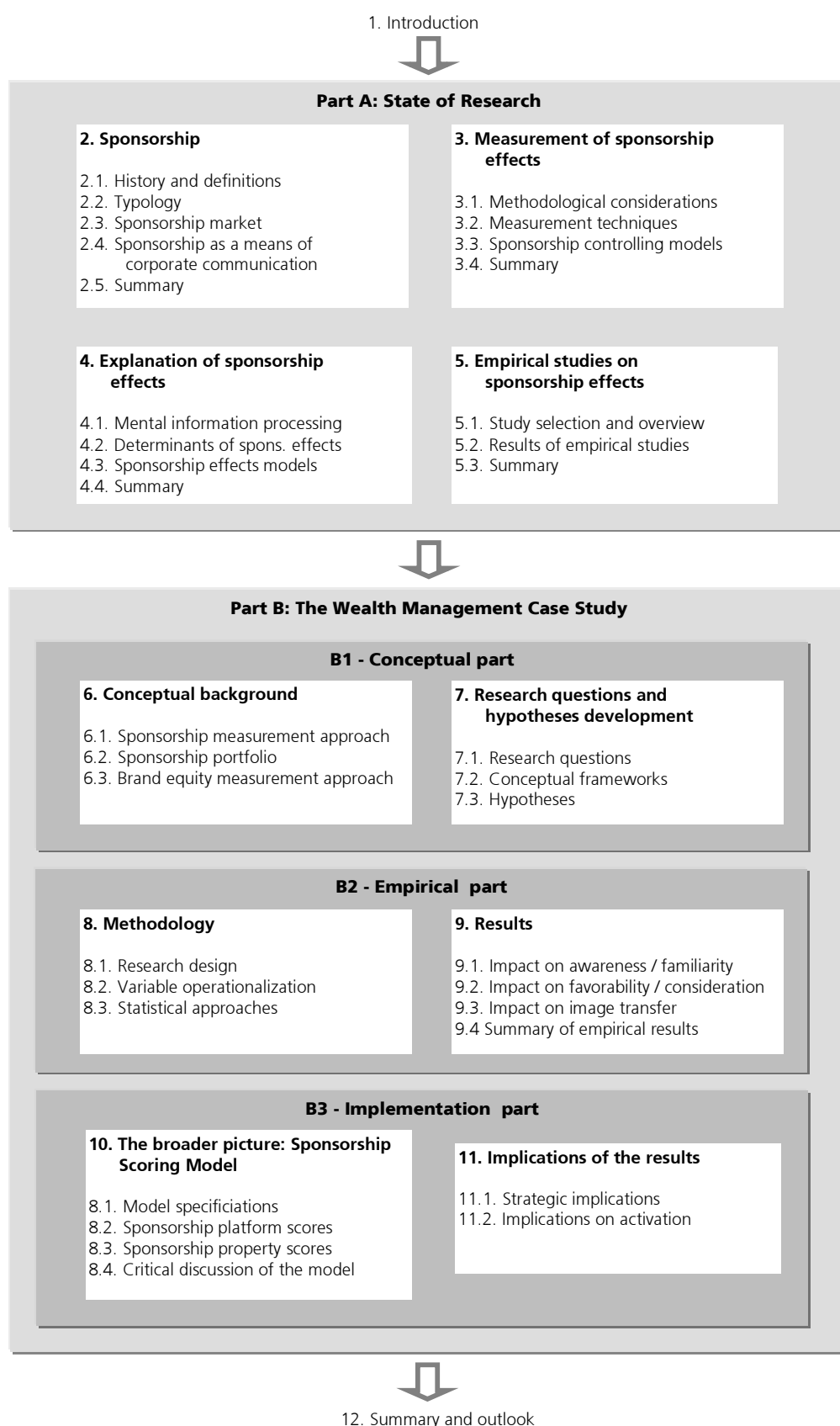


Figure 1: Structure of dissertation thesis

PART A: STATE OF RESEARCH

2. Sponsorship

This chapter gives an introduction to some key aspects of sponsorship which have been discussed in the academic literature recently. The aim of the chapter is to establish a basic understanding of sponsorship in terms of recent developments, definitions, market structure and its relevance as a communications instrument. The first section will outline the history of sponsorship over the last few decades and reviews different definitions of sponsorship that have emerged. In particular, sponsorship will be distinguished from other supporting activities, such as donations or patronage. The second section will give an overview of the different areas of sponsorship (sports, cultural, social, programme sponsorship) and the main characteristics of these areas. The third section will provide some basic figures about the sponsorship market and its composition on a worldwide level with particular consideration of the sponsorship market in Switzerland and Germany. The fourth section will focus on the role sponsorship plays within a corporate communications mix by looking at the integration of sponsorship in other promotional activities and displaying the most common sponsorship objectives.

The structure of chapter 2 is shown in figure 2:

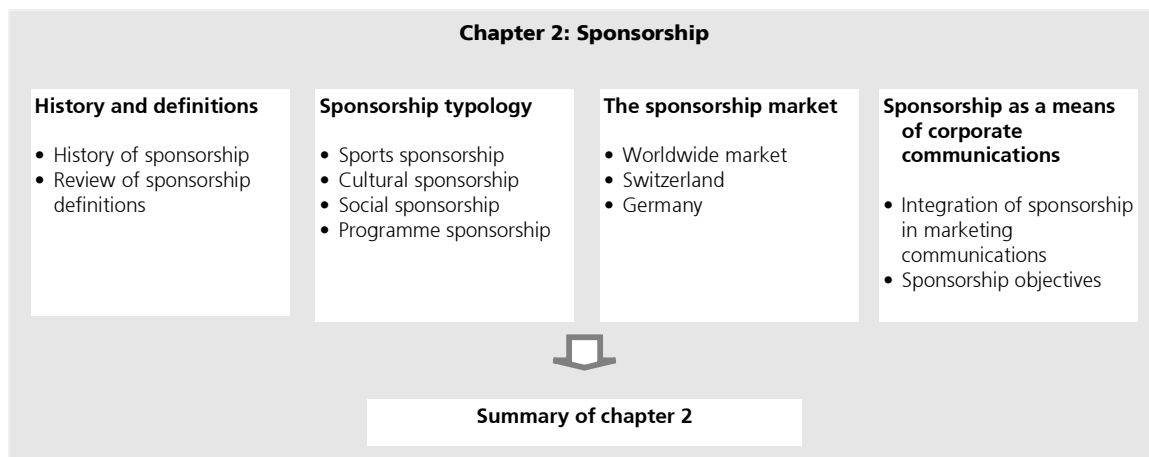


Figure 2: Structure of chapter 2

2.1. History and definitions

2.1.1 History of sponsorship

Historical roots

There are various historical precedents which suggest something about the origins of sponsorship. In ancient Greece, wealthy individuals supported athletic and arts festivals to enhance their social standing; and during the Roman aristocracy, gladiators could be supported or owned for the same purpose.¹⁰ Many authors, however, date the actual origin of sponsorship to Gaius Clinius Maecenas who lived in Rome around 70 BC and was able support some of the most renowned poets with his enormous fortune.¹¹

To study the development of modern sponsorship, it may be useful to review the history of the Olympic Games, which can be considered as one of the most famous sponsorship properties. The first commercial use of sponsorship within the Olympic Games can be traced back to 1896, where advertisements were placed in the official programme. In 1924, venue advertising signage was introduced for the first (and last) time in Olympic history. In 1928, Coca Cola purchased the product sampling rights for the Olympic Games, and in 1952 the first sponsorship rights contracts were issued. In further years, the number of companies associated with the Olympic Games exploded, with nearly 400 sponsors and official licensees in 1980. Right after, the IOC adopted a 'less is more' policy and started a program that bundled the worldwide marketing rights and limited the marketing activities of the local organizing committees. While the number of local sponsors and licensees has since dropped heavily, the overall funds provided by them have increased to USD 865 million in 2002.¹²

Recent developments

One of the most important trends in recent sponsorship history is the extension beyond sports to further fields that had not previously been used for corporate communication. Six different stages in the recent history of sponsorship can be identified:¹³

- *The stage of 'surreptitious advertising'*: This form for the conveyance of advertising messages was mainly found at sport events. It was characterized by the fact that consumers should not recognize the purpose of the communicative effect immediately.

¹⁰ cf. Pope (1998), p. 1

¹¹ cf. Steiner-Kogrina (2004), p. 14; Coppetti (2004), p. 9

¹² cf. Coppetti (2004), p. 9

¹³ cf. Bruhn (2003), p. 10ff

- *The stage of sports advertising:* In the seventies, sport slowly was incorporated into entrepreneurial advertising and promotion measures, mainly in the form of perimeter or T-shirt advertising. Pure perimeter advertising must not be confused with sponsorship, as the booking of a board is identical with the renting of an advertising medium at an event, and the thought of support is completely absent in this case.
- *The stage of sports sponsorship:* Only beginning in the eighties could the term 'professional sponsorship' be applied. At this time enterprises began to plan and manage their commitments systematically, particularly in the sports area, and started to integrate selected sponsorships into the corporate communication mix.
- *The stage of cultural, social and environmental sponsorship:* At the beginning of the nineties, enterprises began to open up new areas to support beyond sport. This applies particularly to cultural, social and environmental fields, which continuously gained in importance up to the present date. In the beginning, sponsorship in these three areas was understood rather as patronage, carried out with mostly altruistic or selfless motives and rarely connected to a concrete return service from the property.
- *The stage of programme-sponsorship:* In the nineties, enterprises started to actively reinforce the presentation of TV and radio consignments. The broadened legal possibilities to act as a sponsor within the framework of audiovisual programmes formed the basis for more media related sponsorship. Meanwhile sponsorship has also appeared in the wider circulation of a range of different media, such as print and internet, which is why the term 'media sponsorship' is used more frequently (and probably gives a better description of the appearance of this sponsorship form nowadays). Frequently, internet sponsorship is represented as an separate form.
- *The stage of integrated sponsorship:* Since the middle of the nineties, enterprises have systematically been searching for possibilities to support through sponsorship and have been making an increased effort towards the integration of their sponsorship activities with their entire communications framework. According to the results of business surveys, 90 to 95 percent of enterprises carry out an integration of their sponsorship measures with other communication instruments. A majority of the enterprises carries out a network with five or more instruments.¹⁴

For the future, it is to be expected that further forms of sponsorship will develop through the search of enterprises for new areas to support, and selected existing fields will gain in importance and meaning.

¹⁴ cf. Bob Bomlitz Group (2004), p. 14

2.1.2 Review of sponsorship definitions

There are different definitions of the term sponsorship, and its meaning has evolved over time. The term originates from Latin and was then introduced to the English and German language. German speaking definitions generally highlight more the supporting aspect, while in the Anglo-Saxon regions sponsorship is considered more as a commercially oriented investment.¹⁵

As sponsorship has steadily developed over the past decades, historical definitions of sponsorship must be seen as an attempt by practitioners and researchers to adequately describe an empirical phenomenon. The table below gives an overview of some of the most important definitions that have been used within the last few decades.

Year	Author	Definition
1971	UK Sports Council	"A gift or payment in return for some facility or privilege which aims to provide publicity for the donor." ¹⁶
1972	Acumen Marketing Group	"The provision of financial or material support for some independent activity which is not intrinsic to the furtherance of commercial aims, but from which the supporting company might reasonably expect to gain commercial benefit." ¹⁷
1982	IEG (International Event Group)	"A cash and/or in-kind fee paid to a property (typically a sports, entertainment, non-profit event or organization) in return for access to the exploitable commercial potential associated with that property." ¹⁸
1983	Meenaghan	"The provision of assistance, either financial or in kind, to an activity by a commercial organization for the purpose of achieving commercial objectives." ¹⁹
1986	Bruhn	"Planning, organization, execution and controlling of all activities related to the provision of means by companies for persons and institutions from the areas of sports, culture and the social sector to achieve marketing and communication goals." ²⁰
1987	Gardner / Shuman	"Investments in causes or events to support corporate objectives (e.g. enhance company image) or marketing objectives (e.g. increase brand awareness), and are usually not made through traditional media-buying channels." ²¹
1989	Drees	"The provision of money, in-kind or services, by the sponsor to a selected sponsee with the aim of utilizing this engagement with its defined counter-services by the sponsee for defined, mostly communicative goals." ²²
1992	Hermanns /	"From a marketing point of view, sponsorship can be characterized as the

¹⁵ cf. Coppetti (2004), p. 19

¹⁶ Quoted according to Meenaghan (1983), p. 8

¹⁷ Quoted according to Meenaghan (1983), p. 9

¹⁸ Quoted according to Ukman (2004), p. 154

¹⁹ Meenaghan (1983), p. 9

²⁰ Bruhn (1986), p. 3 (translation by the author)

²¹ Quoted according to Coppetti (2004), p. 21

²² Drees (1989), p. 16 (translation by the author)

	Püttmann	allocation of financial, physical or other services of an enterprise (sponsor) to an individual, a group of persons, an organization or institution in the social environment of the enterprise (sponsee), in exchange for the granting of rights for the communicative use of persons/institutions and/or activities of the sponsee on basis of an agreement. " ²³
1993	Sandler / Shani	"The provision of resources (e.g., money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity. The providing organization can then use this direct association to achieve either their corporate, marketing, or media objectives. " ²⁴
1995	Walliser	"Sponsorship is a communication instrument, complementary to other communications tools, which is characterized by the provision of financial or non-financial means through organizations or individuals, in order to support individuals, groups, organizations or events from the sports, art, social or environmental area and simultaneously achieve communication goals. " ²⁵

Table 1: Overview of sponsorship definitions

Among the early definitions, Meenaghan's (1983) is most commonly used.²⁶ Meenaghan formally introduced the term 'commercial sponsorship' in an attempt to clearly distinguish his definition from the term patronage. In 1991, he supplied a more generalized version of this definition which leaves the nature of the sponsor open. This view has found its way into most contemporary definitions of sponsorship. Given the fast pace in marketing practice and research, the longevity of Meenaghan's early definition is remarkable.²⁷

Sponsorship vs. patronage and donations

There is a range of other forms of financial allocations that overlap with sponsorship in some way, but which have to be clearly differentiated from commercial marketing tools. These forms include patronage, foundations or donations, and often are part of a company's attempt to give back to community and prove corporate social responsibility.

- *Patronage*: The term 'patronage' is defined as a selfless, altruistic promotion mostly in the area of arts and culture. In contrary to sponsorship, the support does not depend on any return service. The founder of this idea was the roman Gaius Clinius Maecenas (approx. 70 to 8 BC), Maecenas was one of the best known promoters of arts and culture in ancient times.

²³ Hermanns / Püttmann (1992), p. 186 (translation by the author)

²⁴ Sandler / Shani (1993), p. 38

²⁵ Walliser (1995), p. 8 (translation by the author)

²⁶ This especially applies to the Anglo-Saxon literature. In the German speaking literature, Bruhn's definition is most popular. Cf. Walliser (2003), p. 7.

²⁷ cf. Coppetti (2004), p. 22

As friend and mentor of Cesar Augustus he assembled the most prominent poets of his time, Vergil, Horaz and Properz.²⁸

- *Donations*: Another related form of corporate giving is donations. Similar to the patronage, donations are based on an altruistic behavior of the donor. This does not exclude the possibility that the donor might like to achieve a certain kind of communication effect.²⁹ In addition the use of tax advantages may be another motive for donations, the tax savings might even be considered as a sort of return service.

In conclusion, sponsorship is characterized by an explicit return service for the services of the sponsor as part of a formal agreement, while patronage and donations represent a giving of money and services free of charge and without claiming any return services.³⁰ Corporations use sponsorship consciously, systematically and purposefully as a communications and marketing instrument.

There is a range of further differentiations between sponsorship, patronage and donations which will not be further investigated at this point. The following table provides an overview of various differentiation dimensions.

	Patronage	Donations	Sponsorship
Typical sponsor	Private individuals, donations	Private individuals, company	Company
Promotion motives	Only supporting motives (altruistic)	Supporting motive dominant, possibly tax advantages	Supporting motive and reaching of communication goals
Co-operation with sponsees	Partial	No	Yes (realization of sponsorships)
Media effect	None (rather private)	Hardly any	Yes (public)
Use in the sport area	Very rare	Rare	Dominant
Use in the cultural area	Dominant	Frequent	Frequent
Use in the social / ecological area	Frequent	Dominant	Tends to be rare
Use in the media area	Non-existent	Non-existent	Dominant
Decision maker in the enterprise	Entrepreneurs	Financial department	Executive board, public relations, marketing, advertising

Table 2: Comparison of patronage, donations and sponsorship. Source: Bruhn (2003), p. 6

²⁸ cf. Coppetti (2003), p. 9

²⁹ Hermanns (1997), p. 262

³⁰ cf. Steiner-Kogrina (2004), p. 15

2.2. Sponsorship typology

Most publications differentiate four different sponsorship areas: sports, cultural, social and ecological / environmental sponsorship.³¹ New sponsorship forms which do not fit into this classification but which have become increasingly popular are programme sponsorship and science sponsorship.³² Each of the different forms has its advantages and drawbacks. The following sections show some of the main characteristics of each area.

2.2.1 Sports sponsorship

Sponsorship of sports events was and is the most important area of sponsorship. More than half of all sponsorship expenditures are invested in the sports area.³³ There are different reasons for this popularity:³⁴

- It is the oldest form of commercial sponsorship. Therefore it has already had more time develop than other areas.
- Sport is filled with positive connotations such as dynamics, vigor, and success, and it is associated with a great number of positive feelings. Enterprises would like to apply these qualities to their own image and their products.
- The target audience in sport is very large. The media convey sports events to a broad public, which makes it easier for sponsors to promote their commitment to a large audience. The service range of a sponsor depends heavily on the size of target audience that can be reached. Reaching a larger public often results in higher sponsorship fees.
- Furthermore, the acceptance of sports sponsorship is higher than in any other area. Perimeter advertising is much less a problem than placing a corporate logo in a museum or concert hall.

An enterprise that decided to engage in sponsoring sports must think about which sponsorship objects and which field of activity they would like to invest in. Sponsorship objects can be teams, associations, single athletes or events. Large-scale enterprises often choose sponsorship objects out of the international high-performance sport area. Investments in this area are normally substantial and can only be afforded by sponsors of a certain size. Smaller and middle-size companies tend to shift mostly to the national, regional or local sport activities. Soccer, tennis golf, ski racing and

³¹ cf. Hermanns (1997), p. 60

³² cf. Marwitz (2006), p. 52; Glogger (1999), p. 33

³³ cf. Bob Bomlitz Group (2004), p. 36 (referring to Germany only)

³⁴ cf. Walliser (1995), p. 30ff.

motor sports are among the most popular sponsorship areas. However, so-called trend sports such as snowboarding and beach-volleyball are getting more and more popular.³⁵

An analysis of corporate sponsorship activities shows that teams and associations are sponsored most frequently, followed by individual athletes and whole events. Approximately 26 percent of the enterprises observed even initiate their own sports events as part of their event marketing.³⁶

In spite of the possibilities and the positive aspects, one must not forget the other side of the coin. Especially in the field of international high-performance sports, corporations have an increasingly greater influence on events, and the majority of sport events would not happen today without the financial support of sponsors. Sponsors have the possibility to take advantage of this situation. For many sports areas this means that they have to deal with the increasing influence of sponsors and the commercialization of sports activities.

2.2.2 Cultural sponsorship

Art and culture have become an important leisure area in recent years. This trend was recognized by enterprises who use the cultural area for sponsorship in order to differentiate themselves from competitors.³⁷ Approximately 20-30 percent of sponsorship investments are spent on art and culture, and in terms of popularity, cultural sponsorship is ranked immediately after sports sponsorship.³⁸ Many large enterprises have their own culture department which manages all corporate cultural activities.

Background reasons behind a commitment to cultural causes might be:³⁹

- The promotion of art and culture is seen as necessary by many citizens, especially as governments have been reducing subsidies to this area in recent years.
- Cultural commitment signals the willingness on the part of corporations to assume social responsibility and give back to the community. Furthermore, a demonstration of cultural expertise is seen as a sign of quality.
- Cultural sponsorship offers a great number of opportunities for commitments. For almost every enterprise and almost every budget there are possibilities to invest.

The appearance of cultural sponsorships can be classified into the following areas:

³⁵ cf. Bruhn (2003), p. 42

³⁶ cf. pilot checkpoint (2002), p. 46

³⁷ cf. Bruhn (2003), p. 147

³⁸ cf. Bob Bomlitz Group (2004), p. 15

³⁹ cf. Brueckner / Przyklenk (1998), p. 31

Cultural areas	Appearance
Visual arts	Painting, sculpture, graphic design, architecture, photography
Performing arts	Opera, musicals, cabaret, ballet, theater
Music	Classical music, pop / rock music
Literature	Books, magazines
Media	Movies, video, TV productions, multimedia
Culture care	Monuments preservation, traditions care

Table 3: Classification of cultural sponsorship areas. Source: Bruhn (2003), p. 150

2.2.3 Social sponsorship

Social sponsorship offers the chance to demonstrate goodwill and corporate social responsibility to a wide audience. In comparison with sports and cultural sponsorships, social sponsorship has some particular features of its own:⁴⁰

- The sponsor supports organizations or projects that help socially disadvantaged people, thus the supporting aspect is in the foreground for enterprises.
- Social sponsorship is an important component of a socially-based corporate philosophy and culture, through which the self-conception of the enterprise is communicated internally and externally. The media effect indeed does play a role. However, generating media exposure is not the decisive motive.
- Enterprises must identify with regard to the contents of their commitments and document this through own behavior.
- With social-sponsorship, only non-commercial groups and organizations are supported.

Besides the demonstration of social responsibility, another reason for social sponsorship is to reach a target audience that can not be reached with conventional advertising, as well as to strengthen employee identification with the enterprise.⁴¹

Social sponsorship as a component in communication activities has played a subordinate role for a long time. Only in recent years has this field become increasingly important.

⁴⁰ cf. Bruhn (2003), p. 245ff; Hermanns (1997), p. 90ff

⁴¹ cf. Lakenbacher / Reichlin-Meldegg (1993), p. 64

2.2.4 Environmental sponsorship

Environmental sponsorship is still a relatively new field and, similar to social sponsorship, is a very sensitive area in terms of consumer perception.⁴² From the part of environmentalists there is a certain skepticism concerning any involvement of companies, and a lack of plausibility of any commitment in this field can give a negative image to the sponsor. However, it is worthwhile to look at this topic more deeply, because hardly any other area might create such positive feelings towards a sponsor. The communication of environmental sponsorship results in high public attention. However, environmental thinking should already be anchored in the corporate culture and philosophy.⁴³ Further motives for the use of environmental sponsorship are:⁴⁴

- Sponsors in the environmental area demonstrate that they are ready to take responsibility in a socially important field and also document a certain entrepreneurial self-conception of support for the environment.
- In addition, the image of the enterprise is improved. Associations such as ecological consciousness and reliability are associated with the company's image through sponsorship.
- Environmental sponsorship can both strengthen employee identification with the enterprise and also increase the attractiveness of the enterprise for potential applicants.
- Furthermore, an ecological engagement offers the possibility to differentiate oneself from competitors. The environmental awareness of an enterprise is an increasingly frequent purchase argument for consumers.

Environmental sponsorship is seen in many sections of the economy. Most frequently, ecological organizations are sponsored (e.g. WWF), although promotion often also covers single separated projects. Credibility of the sponsor is a key importance factor in this area. Companies that have not already incorporated environmental principles should be careful when entering this field.

2.2.5 Programme sponsorship

Programme sponsorship is another quite young form of sponsorship that has gained in attractiveness over the last years.⁴⁵ Programme sponsorship is in most cases the combination of a product or brand with a pre-produced programme or live broadcast, such as a sports event. The aim is to create an association of the brand with the event for the spectator.

⁴² cf. Glogger (1999), p. 38

⁴³ cf. Brückner / Przyklenk (1998), p. 38

⁴⁴ cf. Bruhn (2003), p. 245ff; Hermanns (1997), p. 85ff

⁴⁵ A comprehensive overview about programme sponsorship is given in Bruhn (2003), p. 293ff.

Frequently programme sponsorship is assigned to classical advertising, but there are some specific features and benefits in comparison with media advertising:

- The sponsor has a unique position in a situation where there is no advertising.
- Attention is increased through the direct proximity of the sponsor to the programme.
- The spectator continues watching and does not switch channels at the commercial break.
- Creative integrated concepts and their implementation guarantee an independent appearance.
- The combination of the advertising message with the broadcast evokes a certain credibility.

Programme sponsorship mainly appears in the context of sports broadcasts. However, also non-sport extensions have grown in the last years

2.3. The sponsorship market

2.3.1 Worldwide market

Worldwide sponsorship investments

Worldwide sponsorship expenditure has grown dramatically over the last 20 years and in 2006 tipped the scale at USD 49 billion investment in sponsorship rights.⁴⁶ It is important to note that these figures represent only the investments in sponsorship rights, and do not include further expenditures which companies undertake in connection with the exploitation of these rights.⁴⁷ It is widely estimated that on average companies spend an additional amount of roughly 1.5 to 2 times their initial investment on leverage activities for the sponsorship and on integrating it with other communication activities such as advertising and promotions.⁴⁸ This leads to the cautious estimate of roughly USD 100-150 billion of total expenditures associated with sponsorship in 2006.

⁴⁶ cf. SRI (2001), Giscard d'Estaing (2006)

⁴⁷ cf. Cornwell / Maignan (1998), p. 1

⁴⁸ cf. Meenaghan (1998), p. 3

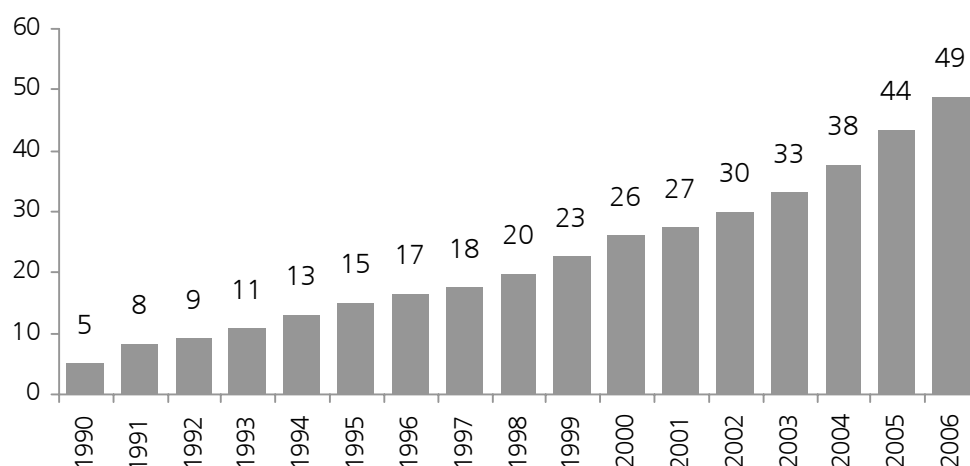


Figure 3: Worldwide sponsorship expenditures (in USD). Source: SRI (2001) / Giscard d'Estaing (2006)

The lion's share of world sponsorship expenditure originates in the Americas with 43 percent of the total followed by Europe with 31 percent.⁴⁹ A closer look at the development of these relative shares shows that the Americas have only recently overtaken Europe. During the new economy boom, America's spending grew at a much faster rate than that of recession-plagued Europe. With the further development of emerging markets, mainly in Asia, future sponsorship expenditure growth is likely to come from those areas, while growth rates in the Americas and Europe will depend on to the economic development in these regions.⁵⁰ Sports events are most popular, with an overall share of approximately 70% of total sponsorship expenditures.⁵¹

While investment in sponsorship has grown in all major markets, it still remains a relatively small percentage of the total advertising expenditure. In 1987, worldwide sponsorship spending was estimated at about 3 percent of total advertising expenditure. By 1999 this percentage had risen to nearly 7 percent. However, sponsorship as a percentage of total advertising varies by country.⁵²

2.3.2 Switzerland

Sponsorship areas

About half of sponsorship expenditures are applied to the sports area. However, there is a long-term trend to move away from the sports area and invest in other fields, such as media or web sponsorship. The percentage of overall expenditures represented by sports has decreased since

⁴⁹ Corresponding to the year 2000

⁵⁰ cf. Coppetti (2004), p. 49

⁵¹ cf. Roy / Cornwell (2004), p. 186

⁵² cf. Meenaghan (1998), p. 5

1994, and will decrease even further in the next few years according to forecasts. Specifically, sponsors tend to move away from sports such as cycling, handball and Nordic skiing to more popular or 'trendy' areas such as golf/polo, athletics, Formula One, inline skating and ice hockey.⁵³

About 30% of sponsorship investment falls into the cultural area. This field has remained very stable over the years, and no dramatic changes are expected in the near future. Increasingly popular domains in the area of cultural sponsorship are film festivals, rock concerts and orchestral music.

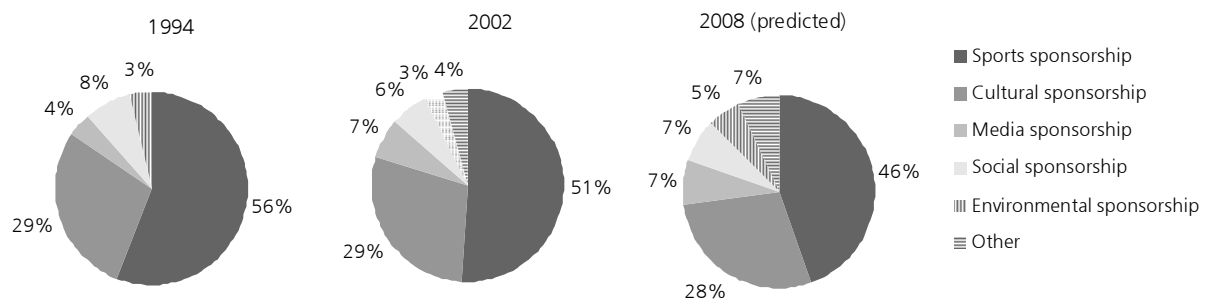


Figure 4: Distribution of sponsorship investments in Switzerland. Source: Spichiger-Carlsson (2002)

Geographical approach

There is a slight trend in Switzerland to move away from local to more national and international commitments. While in 1994 nearly two-thirds of sponsorship spending were spent for local or regional properties, this percentage was reduced to 50% in 2002. During the same time period, expenditures for national properties increased from 34% to 41%, and international sponsorships went from 6% to 9%. According to the forecasts, internationally oriented properties will continue to gain in importance over the next few years.

Relevance within the communication mix

About 12% of the overall expenditures for corporate communications are spent on sponsorship purposes. Sponsorship therefore has a similar importance as public relations but is less important than sales promotion. The amount spent for advertising equals about three times the amount spent on sponsorship. However, while the share of advertising as well as sales promotion has been reduced steadily over the past few years, the relative importance of sponsorship has remained quite

⁵³ cf. Spichiger-Carlsson (2002)

stable. In the future, more than 50% of marketing managers expect an increase in their overall sponsorship budget.

Activation

There is an acknowledged industry norm that an amount at least equal to the direct costs of securing the property rights is necessary for activation purposes to make the sponsorship effective.⁵⁴ Surprisingly, this rule does not apply to Swiss firms, where the activation budget is much lower, with 63% of the overall expenditures account for property rights (direct spending to the sponsee), and only 37% are used for exploitation purposes. In other words, for 1 CHF spent on property rights, only about 0.6 CHF are used to leverage the sponsorship. However, the share of spending used for leveraging purposes increased steadily from 29% in 1994 to 37% in 2002 and also seems to depend on the industry.⁵⁵ The increasing importance of sponsorship activation may be the sign of increasing professionalism in the sponsorship industry.⁵⁶

2.3.3 Germany

Expenditures

The overall sponsorship market in Germany can be estimated at about EUR 4.3 billion.⁵⁷ Compared to previous years, 2006 was a peak year with investments higher than ever before. There are two reasons for this: Firstly, there is a long-term trend of investing a higher share of communication budget to sponsorship; secondly the soccer world championship in Germany 06 was used by many top firms for marketing and communication purposes. In future years, the German sponsorship market is predicted to drop below the EUR 4 billion threshold again.

Sponsorship areas

The distribution of sponsorship investment among different areas in Germany is similar to Switzerland. At 44% of the total, sport is the area with the highest investments, followed by cultural sponsorships (29%). There is a slight tendency of decreasing expenditures for sports and on the other hand a slight increase in investments in the cultural area. All other areas have remained steady over the years. It may be mentioned that social sponsorship takes 15% of the overall budget in Germany, and investments are generally higher compared to Switzerland. Marketing managers see social sponsorship as an area which will greatly increase in significance in the future: More than

⁵⁴ cf. Meenaghan (1998), p. 5

⁵⁵ Companies from the banking, telecommunication and food sector spend a higher amount on leveraging.

⁵⁶ cf. Spichiger-Carlsson (2002), p. 6

⁵⁷ Pilot Checkpoint, (2006) press release

50% say that the prominence of this area will grow, which is more than in any other sponsorship area.

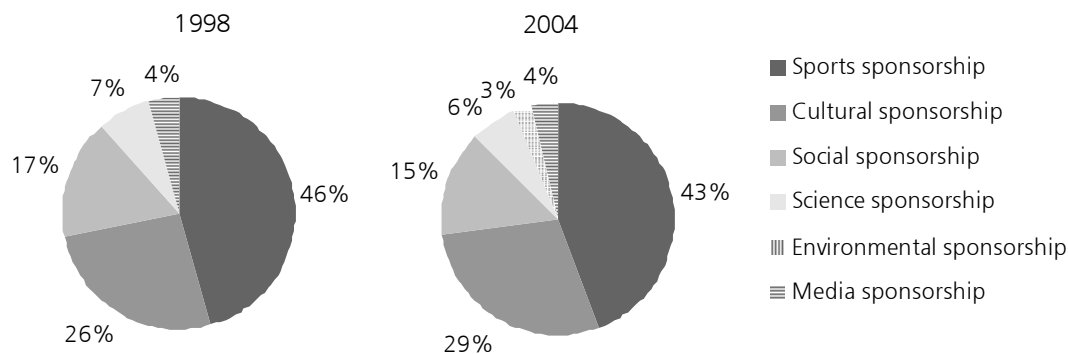


Figure 5: Distribution of sponsorship investments in Germany. Source: Bob Bomlitz Group (2004), p. 36

Relevance within the communication mix

The share of sponsorship expenditures out of the total marketing budget is 15%, which is slightly higher than the corresponding figure in Switzerland. The share has been steadily growing since 1998, and the future will most probably bring further growth. About 40% of marketing managers see sponsorship as an increasingly significant marketing tool, whereas only 8% think its importance will decrease. At the same time, they believe the relevance of traditional and outdoor advertising will diminish somewhat.

Activation

Again, the rule of thumb mentioned above, spending at least the same amount on activation as on property right fees, is not observed in Germany. About three quarters of spending are paid directly to the sponsee, and only one quarter is used for exploitation of the sponsorship. In contrast to Switzerland, there is no trend in Germany to increase these activation expenditures, and indeed this part has even been subject to a slight decrease over the past few years. However, most companies state that they link their sponsorships to other marketing activities, mostly PR and traditional advertising.

2.4. Sponsorship as a means of corporate communications

Enterprises make use of different communications tools to convey communication messages. There are different typologies that try to structure communications tools according to different perspectives. The most popular of these is the division into classical and non-classical communication tools.⁵⁸ The most popular classical tools are advertising, public relations, sales promotion and trade shows; non-classical tools include sponsorship, product placement, event marketing and member clubs.⁵⁹

Another approach is to classify communications tools according to how they reach the target audience, i.e. directly or indirectly. This typology divides marketing activities into direct communications tools (such as direct mailing, participation in trade shows, direct sales promotion) and indirect communications tools (such as sponsorship or product placement).⁶⁰

Without explaining further details of these typologies, they should mainly demonstrate that there are a variety of communication tools that can be used by companies for marketing purposes. The question raised by this is what role does sponsorship play in this context.

Broadly speaking, sponsorship activities aim to connect associations of a sponsored area with the sponsor or its products. Sponsorship activities are adequate to convey simple messages, often restricted to the logo or the name of the sponsor only, whereas more complex information such as specific product features can hardly be transmitted. More likely, sponsorships offer enterprises the chance to demonstrate corporate social responsibility. Other particularities of sponsorship compared to other communications tools are: ⁶¹

- Addressing target audience in non-commercial situations
- Usage of the sponsee's image and attention for a company's own communication purposes
- Higher acceptance than traditional advertising
- Reach of target audience that is not accessible with traditional advertising
- This reach is boosted by mass media without additional effort or investment on the part of the sponsor

In spite of all these advantages, sponsorship can not achieve all corporate communications goals. It has to be seen rather as a complement of other communications tools.

⁵⁸ These are often also referred to as 'above-the-line' and 'below-the-line' communication tools.

⁵⁹ cf. Hermanns (1997), p. 16

⁶⁰ cf. Steiner-Kogrina (2004), p. 17; Hermanns / Püttmann (1992), p. 186

⁶¹ cf. Hermanns (1997), p. 56

2.4.1 Integration of sponsorship in marketing communication

Over the last years, the idea of integrated marketing communication has been discussed increasingly often.⁶² After a long era in which the independent use of communications tools was dominant, the newer approach of coordinating various communications activities has become more and more popular. Researchers and practitioners think unanimously that sponsorship reaches its optimal performance only if it is linked with other communications tools. Sponsorship should therefore never be isolated, but planned and implemented in coordination with other communications activities.⁶³ Three different areas of integration can be identified:⁶⁴

- *Contents-related integration*: This can be reached by promoting sponsorship properties within other tools, such as advertising, sales promotions and PR. A sponsor of an orchestra for example can integrate this commitment into TV and radio spots and PR messages.
- *Temporal integration*: In order to achieve optimal effectiveness, timing related criteria has to be taken into consideration.
- *Formal integration*: From a formal point of view sponsorship has to be in line with the corporate design / corporate identity guidelines. This makes it easier for the target audience to relate the commitment to the firms' image.

Nowadays, sponsorship practice is characterized by an intense investigation of other integration and leverage possibilities. This is based on the assumption that a broader integration in the marketing mix will further exploit the overall potential of sponsorship. This way, sponsorship reaches the level of being more of an integrated platform for different marketing activities. "The value of any sponsorship is derived when the sponsored property is used as a central platform around which other marketing activities".⁶⁵ Similarly, Meenaghan stated that "one of the key requirements of sponsorship management is to integrate the sponsorship programme into the company's overall marketing activities, rather than to isolate sponsorship as if it were something different".⁶⁶ The main objectives of integrated sponsorship communications are to reach synergy effects, to reduce overall costs, to differentiate from competitors and to create acceptance among a wider target audience.⁶⁷

⁶² cf. Glogger (1999), p. 42

⁶³ In this respect, the term 'sponsorship marketing' is sometimes used. Cf. Quattrocchi-Oubradous (2004), p. 88; Masterson (2005), p. 506

⁶⁴ cf. Bruhn (2003), p. 30

⁶⁵ IEG (1995), p. 24

⁶⁶ Meenaghan (1995), p. 508

⁶⁷ cf. Marwitz (2006), p. 26; Raffée (1991), p. 87

2.4.2 Sponsorship objectives

Sponsorship objectives are set based on existing marketing and communication objectives. These can be divided into two broad areas: economical and psychological objectives.⁶⁸ Purely economical objectives, such as sales or profit increase and incremented market share are hardly directly reached by sponsorship activities. From a long-term perspective, these are the ultimate measures that every communication activity should achieve, but from a short- or medium-term perspective, sponsorship may be more successful in achieving psychological goals, such as an increase in brand awareness or an impact on brand image through the mechanism of image transfer. Other common objectives in connection with sponsorship are the usage of properties for a hospitality event or for employee motivation.⁶⁹

In fact, branding-related objectives seem to be most important for the usage of sponsorship: "Overall, enhancing image and increasing awareness for brands and/or companies have traditionally been the most important sponsorship objectives."⁷⁰ Studies among sponsorship decision makers also revealed that the creation of visibility and enhancing the brand image are the most important goals that inform a decision about sponsorship investments.

An overview of common sponsorship objectives is shown in figure 6:

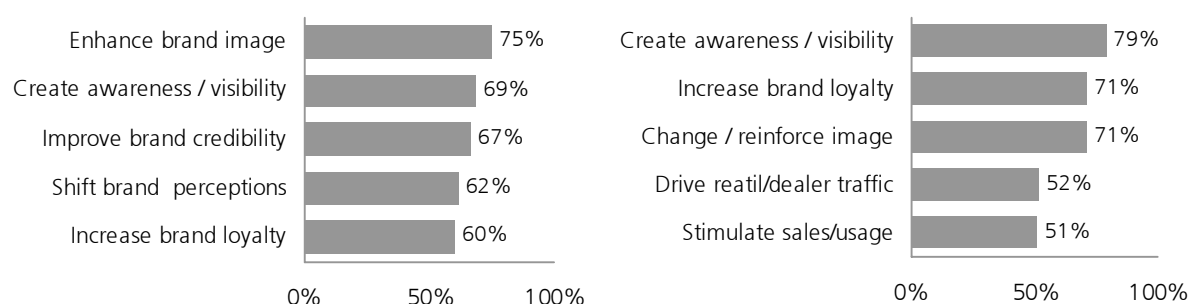


Figure 6: Sponsorship objectives. Sources: Redmandarin (2004), p. 21; Ukman (2004), p. 8

Creation of brand awareness and visibility

Creating brand exposure is one of the major objectives of most sponsorship commitments. Through the media coverage of an event (especially live TV broadcasts) the audience of an event can be

⁶⁸ cf. Bruhn (2003), p. 63

⁶⁹ In some cases, sponsorships simply exist because some senior management members derive personal satisfaction from them. Especially in the area of cultural sponsorship, it must be assumed that personal preferences represent an important motive for engagements (sponsorship as a 'CEO's pet'). This applies particularly to small and medium-size firms, where the CEO is also the owner of the firm. Cf. Walliser (1995), p. 36

⁷⁰ Walliser (2003), p. 11

multiplied by a large factor. The visibility of logos for such a broader audience strengthens the ability of recipients to recall or recognize a brand.

There is a great consensus that sponsorship is suitable for increasing the brand awareness of a sponsor within finely segmented target audiences. However, in the case of a very broad target audience, traditional advertising could be a more efficient tool to create brand exposure.⁷¹ In addition, sponsorship is more suitable for brands that already have a certain level of brand awareness within the target group. In the case of a mainly unknown brand, media exposure through sponsorship is likely to have only a minor effect on overall awareness.⁷²

Image transfer and brand image

A dominant reason behind sponsorships is to create an association among a target segment.⁷³ Walliser states that the enhancement of corporate image is "probably the most important objective of sponsorships".⁷⁴ In the future, the focus on branding and image goals will be even more important than it is today.⁷⁵

Other related sponsorship goals are the building, alteration or stabilization of a brand image. More specifically, there are single dimensions of an image that can be affected. Depending on the dimensions of an image that should be affected, sponsors can choose between different areas of sponsorship.⁷⁶

Two different image transfer procedures can be identified: Firstly there is an impact of sponsorship 'per se', which means that only the fact that an enterprise acts as a sponsor and promoter can already induce a shift in brand perception. Secondly, the sponsors' image can be affected by the image of the property.⁷⁷ Similar to a brand transfer in a line or brand extension, when a new product is introduced using an existing brand to therefore be associated with the original brand, a notional connection is drawn between sponsor and sponsee. In contrary to a classical brand transfer, image is derived from an external object.⁷⁸

⁷¹ cf. Walliser (1995), p. 37ff

⁷² cf. Bruhn (1994), p. 1134

⁷³ cf. Aaker / Joachimsthaler (2000), p. 208

⁷⁴ Walliser (1995), p. 39 (translation by the author)

⁷⁵ cf. Sponsorship Visions (2002)

⁷⁶ cf. Cotting (2000), p. 100

⁷⁷ cf. Glogger (1999), p. 82

⁷⁸ cf. Glogger (1999), p. 69

Client retention

Sponsorship events can be used to reach out to a very specific target audience, such as clients, prospects, journalists, opinion leaders, shareholders, suppliers etc.⁷⁹ The most important role sponsorship plays is for client retention and acquisition purposes. In a survey conducted among top German companies, 90% name increasing client retention and client acquisition as a major goal of their sponsorship investments.⁸⁰

Hospitality events provide opportunities to maintain client relationships within a very special and exclusive atmosphere. Hospitality rights may include the provision of free entrance tickets, the disposal of loge seats, the possibility of using spaces within the event area to build up VIP tents or the like.⁸¹ Due to the high costs per person, hospitality measures are mainly focused on selected top tier clients.

The direct and intense contact to clients is one of the main reasons for hospitality activities. Such events promote personal interaction and offer access on a very emotional level. Relationships between the firm and existing or potential clients are strengthened through an interpersonal and less anonymous component, which is promoted by the emotional experience at the event. "An event-experience [...] can provide a customer with a unique opportunity to develop a link to a brand and its organization. [...] An intense level of loyalty can be created."⁸²

Less important clients can be invited to the events with free or reduced-price tickets. This measure can be linked to the framework of client clubs, as heavy users or loyal customers are offered substantial reductions in price, with the aim to increase satisfaction and loyalty.⁸³ Another possibility is to invite clients to an exclusive, normally inaccessible event experience, such as visits of the backstage area of an open air festival.

Employee satisfaction

Sponsorship may also be used to raise employee morale and satisfaction.⁸⁴ Although this is not a major objective, it represents a huge field and its exploration is only beginning. Employee measures can consist of providing free tickets or fringe benefits and can lead to a positive impact on the corporate culture.⁸⁵ "Employees [...] can receive emotional benefits that result from pride in being

⁷⁹ cf. Walliser (1995), p. 41

⁸⁰ cf. Bob Bornlitz Group (2004), p. 29

⁸¹ cf. Bassenge (2000), p. 150

⁸² Aaker / Joachimsthaler (2000), p. 205

⁸³ Kotler / Bliemel (2001), p. 91

⁸⁴ cf. Schwaiger (2002), p. 2

⁸⁵ cf. Walliser (1995), p. 40

associated with the sponsorships, as well as the link between the sponsorship and their own lifestyle and values. [...] Getting employees to attend events can enhance these emotional benefits".⁸⁶

2.5. Summary

Chapter 2 looked at selected aspects of sponsorship with the aim of elaborating a basic understanding about its characteristics, the structure of the market and its usage as a means of corporate communications. The different points raised in this chapter can be summarized as follows:

- The history of commercial sponsorship is relatively short. For a long time, sponsorship was mainly focused on sports events, with the Olympic Games being one of the most prominent examples. Only since the 1990s have companies started to invest in different areas.
- Sponsorship is a commercial marketing instrument and is used to achieve communication goals. It is characterized by the payment of a cash fee from a company to a property to access the exploitable commercial potential of the property. In this respect, sponsorship is different from patronage or donations, which mostly follow altruistic motives.
- Sponsorship is typically divided into different areas: sports, cultural, social, environmental and programme sponsorship. Each of these areas has its own characteristics, advantages and disadvantages. Sponsorships in the social and environmental area are more sensitive than in sports and should be selected very carefully.
- The volume of sponsorship worldwide is constantly growing. Worldwide investments have increased from USD 5 billion in 1990 to USD 49 billion in 2006, and the share of sponsorship of the overall marketing budget has grown from 3% to more than 7%. Sports sponsorship has traditionally been more popular than cultural sponsorship, but the share of investments in sports properties has declined over the past years.
- Currently, companies are constantly seeking to explore new ways to activate their sponsorships. The most popular of these is the integration of sponsorship with other instruments of the corporate communication mix.
- Companies try to achieve multiple objectives with sponsorship activities. The most important objectives are the creation of brand visibility, image transfer and client retention. A relatively new idea is to use sponsorship to raise employee morale.

⁸⁶ Aaker / Joachimsthaler (2000), p. 204

3. Measurement of Sponsorship Effects

As seen in the previous chapter, companies invest in sponsorship to reach a specific set of objectives, such as creating brand awareness, changing brand image or stimulating sales. Thus, at the end of a typical sponsorship management process there should be some kind of evaluation to assess the extent to which the objectives set were reached. Similarly to other financial investments, there is a need for companies to evaluate their sponsorship investments in terms of its efficiency, effectiveness or return on investment.

In fact, only few companies measure the results of their sponsorships in a consistent way, and many do not even conduct any research at all. Given the increasing volume of sponsorship investments over the last few years and its growing share of the overall marketing budget,⁸⁷ the budget allocated to sponsorship measurement is still surprisingly low. In Germany, 20% of companies do not measure the success of their sponsorships at all, and among the 80% who do so, most only look at media exposure. Economical effects (e.g. attracting new clients, increased sales) are only measured by 40% of those companies that have such objectives.⁸⁸ In terms of funding, there seems to be little interest in allocating a separate budget for measurement. 84% of companies allocate either no funding or less than 1 percent of their sponsorship budget for evaluation purposes.⁸⁹

There are many reasons for the lack of interest companies show in measuring the success of their sponsorships. First, many companies may see this as an area which is too complicated to explore, given the interdependences of sponsorship with other promotional activities and the difficulty in defining measurable objectives. Furthermore, applying a consistent research approach may identify deficiencies in the sponsorship selection and challenge existing sponsorship arrangements. If sponsorships are planned according to personal preferences of senior management or with only a short-term perspective in mind, then measurement results may be inconvenient for marketing decision-makers. Nevertheless, the measurement of sponsorship effectiveness has come to be seen as a central problem for sponsors and many companies are actually interested in applying more sophisticated evaluation tools.⁹⁰ At the same time, sponsorship controlling has also become an issue which is followed with increasing interest in the academic literature.⁹¹

The aim of chapter 3 is to give an overview of the existing literature which considers how sponsorship success can be measured and which aspects should be looked at when setting up sponsorship controlling systems. The first section discusses the different types of measurement approaches and main methodological issues and problems that companies face when they try to

⁸⁷ cf. section 2.3

⁸⁸ cf. Bob Bomlitz Group (2004), p. 30

⁸⁹ cf. Performance Research (2004)

⁹⁰ cf. Bruhn (2003), p. 363

⁹¹ cf. Walliser (2003), p. 13

evaluate their sponsorships. The second section shows the different measurement tools that can be used and also points at some of the limitations and disadvantages of each instrument. The third section will focus on existing sponsorship controlling models that have been developed in theory and used in practice.

The structure of chapter 3 is shown in figure 7:

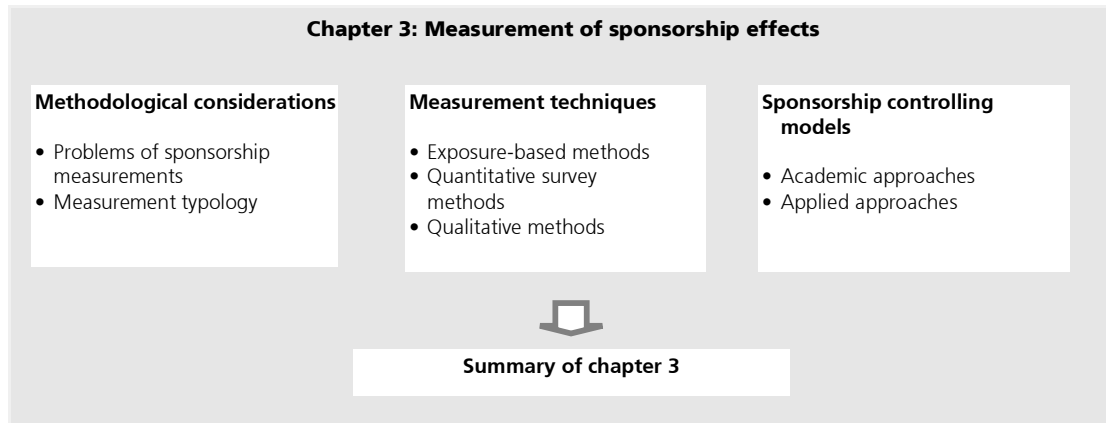


Figure 7: Structure of chapter 3

3.1. Methodological considerations

3.1.1 Problems of sponsorship measurement

Evaluation is often seen as the toughest task in sponsorship, mainly due to the high degree of uniqueness of every sponsorship arrangement and the lack of universal measurement units.⁹² Many experts see the analysis of sponsorship effects as more complicated than the evaluation of other marketing measures, such as advertising or sales promotion.⁹³ There are a number of factors that set sponsorship apart from other marketing activities and which cause problems in the attempt to measure the success of an activity. A number of different aspects should be considered before even starting to measure sponsorship effectiveness. These are, among others: missing sponsorship

⁹² cf. Pearsall (2005)

⁹³ Even in advertising, there is no clear consensus on how to measure success and effectiveness; cf. Walliser (1995), p. 122. For a detailed discussion of how to measure advertising effectiveness see Franzen (1999).

objectives, effect interdependencies with other marketing activities, carry-over and decay-effects, and the heterogeneity of sponsorship arrangements.⁹⁴

Setting clear and measurable sponsorship objectives

Setting measurable objectives is a prerequisite of effective sponsorship measurement. If objectives are not clearly defined and communicated, the measurement process itself may be ineffective and may not lead to actionable insights. Although most companies set sponsorship objectives, these are often unclear, too vague, not measurable or lacking benchmarks.

Ukman (2003) shows some bad examples of sponsorship objectives that were set by an automaker for a motor sport sponsorship:

- "- Capitalize on the popularity of racing to elevate image as an exciting, high-performance, customer-connected company.
- Tailor offers to drive qualified consumer traffic through dealerships to help generate vehicle sales.
- Build brand loyalty among a key opinion-leading audience by providing a convenient, low-cost and memorable experience."⁹⁵

There are a number of problems emerging when measuring objectives like this. For example, it is impossible to measure 'elevation' (in the first objective) as long as there is no indication on what it should be elevated from. The second objective is also difficult to measure: What is the criterion for 'qualified consumer traffic'? How many consumers should be turned to sales, and in which time period?⁹⁶

Measuring sponsorship objectives that refer to a sponsor's brand equity is even more difficult. Common objectives such as 'enhancing company image' or 'showing the company's international dimension' are difficult to operationalize, since it is not clear where the baseline is and what benchmarks should be achieved. Good and measurable objectives include the definition of a target group (e.g. actual customers, prospects, competitors), a time horizon (e.g. 12 months, 5 years) and a benchmark (e.g. increase awareness by 10%).⁹⁷

⁹⁴ Further problems that are not displayed in this chapter include ambush marketing and guessing (cf. Pham 1991, p. 61), inclusion of media consumption patterns (cf. Bruhn 2003, p. 1623), uncontrollable external effects (cf. Drees 1990, p. 200) and the coincidence factor or sponsorships (cf. Bortoluzzi Dubach / Frei 2002, p. 183).

⁹⁵ cf. Ukman (2003), p. 3

⁹⁶ cf. Ukman (2003), p. 4

⁹⁷ cf. Pham (1991), p. 52)

Interdependencies with other marketing activities

A major difficulty in evaluating sponsorship is the differentiation of its effects from those of other promotional activities.⁹⁸ In most cases, sponsorships are not the only communication efforts of the marketing plan.⁹⁹ It is likely that some effects such as an increase in awareness or a more favorable attitude towards the firm over a certain time period is the result of an integrated marketing effort and not solely attributable to sponsorship. "A more favorable attitude may be due to a decrease in the price of the company's products; an increased awareness may be caused by a greater availability of the products in retail outlets; more simply, a shift in image could be attributed to a well designed advertising campaign." ¹⁰⁰

Another problem is the interdependence between different communications channels used for sponsorship activation. Companies often make use of different marketing instruments to leverage their sponsorships, such as advertising, PR, and sales promotion. If all these instruments are applied at the same time, it is nearly impossible to isolate the effect of a single channel, and any observed reactions by consumers can hardly be attributed distinctively to a single instrument. Maybe the impact was even a result of a special combination of different marketing activities.¹⁰¹

Furthermore, most companies do not only sponsor one event but engage in different events and sponsorship areas. Therefore it is likely that there will be some spill-over effects across different areas, and effects may not be clearly assigned to a single event.¹⁰²

Carry-over / decay effects

It is important to take into consideration the mental processes of learning and forgetting when measuring sponsorship effects. Sponsorship will in most cases not have an immediate effect right after an event, it may rather take months or even years until consumers are able to establish a link between a sponsor and an activity. The more repeated the exposure to sponsorship communication, the higher the likelihood that consumers remember the link. On the other hand, due to a low level of involvement and the inherent weaknesses of peripheral information processing¹⁰³ consumers do not cognitively evaluate sponsorship-related information and tend to forget names of any once-associated brands after a certain time. Sponsorship effects may therefore only be a temporary

⁹⁸ cf. Cornwell / Maignan (1998), p. 4

⁹⁹ For an example of a company that abandoned all advertising activities and focused on sponsorship only see Rajaretnam (1994).

¹⁰⁰ Pham (1991), p. 59

¹⁰¹ cf. Walliser (1995), p. 123

¹⁰² cf. Hermanns (1997), p. 175

¹⁰³ cf. Elaboration Likelihood Model in section 4.1

phenomenon. However, in some cases long decay times were observed, and consumers still remembered sponsorships years after a company had aborted its sponsorship involvement.¹⁰⁴

Heterogeneity of sponsorship arrangements

Another hurdle in measuring sponsorship effects is the wide variety of different forms of sponsorship. The heterogeneity of the different areas (sports, cultural, social, environmental, programme sponsorship) makes it necessary to adapt measurement activities to the circumstances of each area. Even within the same domain (e.g. sponsorships of classical music) there may be huge differences between each sponsorship property which require taking a different measurement approach.¹⁰⁵

In spite of all the problems and pitfalls mentioned above, companies should attempt to conduct systematic sponsorship measurements. Results of such measurements can be used to determine what works or what does not work, provide a persuasive negotiating tool with event properties or just allow sponsorship decision makers to do their job more intelligently.

3.1.2 Measurement typology

Results-oriented measurement systems generally measure the effects of sponsorship on consumer response, thus they try to evaluate the impact of sponsorship investments on consumer's awareness and perception of the sponsor's brand. Another form of measurement is the evaluation of the sponsorship management process, also called a 'sponsorship audit'. These two main forms of measurement will be presented in the following section.

Results-oriented sponsorship measurement

Results-oriented evaluation tries to measure the impact of sponsorship on communications related objectives.¹⁰⁶ Observed effects can be divided into psychological reactions (e.g. consumer's brand awareness, knowledge, and the attitude / image conveyed by the sponsor) and economic measures (e.g. increases in sale, return on investment). Due to the low direct impact of sponsorship on economic effects,¹⁰⁷ most evaluation systems focus on measuring psychological effects. In this

¹⁰⁴ cf. Bruhn (2003), p. 136

¹⁰⁵ cf. Hermanns (1997), p. 175; Walliser (1995), p. 123

¹⁰⁶ cf. Hermanns (1997), p. 176

¹⁰⁷ cf. section 2.4.2

respect, two different levels can be distinguished: On a cognitive level, sponsorship may result in increasing brand awareness and familiarity, whereas on an affective level, reactions may include emotional assessments of the brand and image transfer. In addition to this differentiation of psychological aspects, it is recommended to distinguish between the short- and long term temporal impact. From a short-term perspective, consumers may show increased awareness rates which may result in higher product interest (e.g. trial purchases of a sponsor's product during an event). Long-term impact instead covers emotional aspects such as image attributes and product preferences.

According to its chronological process, results-oriented measurement can be divided into three different groups: *ex ante* tests, *pre-post* tests and *in-between* tests.¹⁰⁸

- *Ex ante tests* try to assess the possible effects before a sponsorship has actually begun. *Ex ante* tests can be considered as a prognostic evaluation of possible future outcomes. In order to evaluate the appropriateness of a sponsorship investment and to optimize the communication around it, a number of factors must be considered: Does the sponsorship reach the right target audience? Which messages should be used? How long will the sponsored activity be broadcasted? What is the basic attitude of the target group towards the sponsored activity? Is a sponsorship in this area credible?
- *Pre-post tests* are used to measure the impact of distinct sponsorship in a given time period within a given target audience. Typically it takes the form of a two-wave study, with one wave of research before and one wave after a sponsorship event. Basically, three items are required for conducting pre-post tests: the objectives of a sponsorship activity, the level of these measures before the event (representing the baseline) and the extent to which the baseline was increased by the event (as measured by the post-test). Pre-post tests sometimes are designed with a very short-time view (such as day-after recall tests), but they may also consider a more long-term perspective, such as over a period of some months. When designing pre-post studies over a longer time period, it has to be kept in mind that there may be interdependences of sponsorship with other marketing activities.
- *In-between tests / tracking studies* generally have the form of multi-wave studies that look at the variation of sponsorship effects over a longer time period. Measurement of in-between tests typically take place before, during, and after a bigger event, such as the Olympic Games or world championship events. Tracking studies repeat the same measurement over years (longitudinal studies) in order to compare long-term changes in a given target group. The aim of tracking studies is to identify developmental trends and to validate the results of other research.¹⁰⁹

¹⁰⁸ cf. Hermanns (1997), p. 176

¹⁰⁹ cf. Hermanns (1997), p. 185

Process-oriented sponsorship measurement (sponsorship audit)

Process-oriented measurement is seen by some experts to be comparably important to results-oriented measurement, but it is not as widely used in the industry.¹¹⁰

A sponsorship audit is used to examine and control the design and process of sponsorship measures. The aim of a sponsorship audit is to detect risks and aberrations in the planning and implementing of sponsorship at an early stage.

According to Hermanns, process-oriented measurement can be divided into four different components: a premise audit, strategy and objectives audit, measure audit, and organization audit.¹¹¹

- *The premise audit* reviews the meaningfulness and value of assumptions that are taken when planning sponsorship activities. It also examines the integration of a given sponsorship into the existing corporate communications strategy and corporate identity guidelines.
- *The strategy and objectives audit* aims to assess the completeness and viability of sponsorship strategy and objectives. Additionally, it considers the coordination of sponsorship strategy / objectives with the strategy of other marketing measures and the integration of sponsorship into other communications activities.
- *The measures audit* looks at the connectivity between objectives and strategy and the individual measures taken. An early check of coherence should help to avoid decisions that are overly biased by the subjective preferences of decision makers.
- *The organization audit* looks at the efficiency and effectiveness of the internal information and decisions processes within a company's sponsorship department. In most cases companies collaborate with external partners and agencies, and these external vendors need to be managed and controlled.

3.2. Measurement techniques

A common consensus among sponsorship measurement experts is that that sponsorship should not be measured in the same way as advertising. "The general measurement mentality has been to simply transfer advertising metrics and processes to sponsorship without considering either the

¹¹⁰ Some authors define process-oriented sponsorship measurement and a sponsorship audit as two different items. cf. Bortoluzzi Dubach / Frei (2000), p. 183

¹¹¹ cf. Hermanns (1997), p. 186ff

differences that the sponsorship environment requires or the inherent flaws in the way advertising is measured. [...] To impose advertising metrics onto sponsorship misses the point".¹¹² Although the mere analysis of media exposure may be sufficient for media-based sponsorships, they are not suitable for relationship-based sponsorships. In this setting, there are a few quantitative and qualitative measurement techniques that may be applied instead of, or in addition to, media exposure.

The different measurement techniques are useful in capturing the variety of possible consumer reactions to sponsorship stimuli, which can be divided into physical, cognitive, affective and behavioral reactions. Table 4 gives an overview of different levels of measurement, observed metrics and measurement techniques. The most relevant measurement techniques then will be presented in further detail below.

Level of measurement	Observed metrics	Measurement techniques
Media exposure	Media coverage Reach within target audience Advertising equivalent value	Analysis of press clippings Analysis of TV broadcasts Analysis of web exposure
Physical reactions	Arousal Attention Perception	Physiological instruments Eye-tracking Tachistoscope
Cognitive reactions	Sponsorship awareness Recall Recognition	Telephone surveys On-site surveys Tracking studies
Affective reactions	Brand attributes / image General attitudes Brand preference, favorability	Qualitative focus groups In-depth interviews Laboratory experiments
Behavioral reactions	Intention to purchase Product usage	Telephone / on-site surveys Database analysis

Table 4: Overview of measurement techniques to measure sponsorship effectiveness

3.2.1 Exposure-based methods

Monitoring media coverage is by far the most popular method of evaluating sponsorship effectiveness. According to the study *Sponsorship Trends (2004)*, 64% of companies analyze their

¹¹² Ukman (2004), p. vii

media exposure, but only 24% conduct other empirical studies. This pattern has not changed over the last decade.¹¹³

Media studies are generally managed by specialized firms, who either conduct the research on a syndicated basis (for large events with multiple sponsors) or on a custom basis (for smaller events or if special analysis is needed). Exposure-based studies count the number of TV or radio seconds or press clippings with sponsor visibility and then calculate an overall size for a brand's media exposure.¹¹⁴ Refinements are sometimes added, and various weights can be applied to calculate an overall exposure value. Weighting variables include the relative size of the brand logo compared to the size of the picture, whether the picture is black or in color, whether the logo appears on the front side of a newspaper, whether the brand name appears in the title of an article, etc. The overall media value shows the amount of money that would be necessary to buy the same amount of advertising space and provides a bottom-line accounting of the cost effectiveness of the sponsorship. A second approach is to estimate direct and indirect audiences.¹¹⁵ Common other target variables of media coverage studies include cost per thousand (CPT), cost per rating point (CPR) and opportunities to see (OTS). These measures are directly comparable to the way advertising is planned and measured.¹¹⁶

There are a number of reasons why sponsors are interested in exposure-based measurement methods. First, it is fast and affordable, and results can easily be compared against other sponsors to produce a relative value of effectiveness. However, there is some controversy about equating the value of sponsorship visibility to paid advertising messages. Second, exposure-based analyses seem to be more serious because they calculate concrete and objective numbers. Third, calculating advertising equivalent values is likely to lead to the conclusion that sponsorship had a positive effect and may thus legitimate sponsorship investments.¹¹⁷

Limits of exposure-based methods

Unfortunately, the measurement of media exposure suffers from several serious limitations. Most importantly, although it captures the potential exposure of a target audience to sponsor visibility, it does not consider the actual outcome of the exposure. Creating media exposure is not an end in itself, thus coverage analysis actually measure the wrong variable and thus are lacking in validity. Media coverage analysis tells no more about the effectiveness of sponsorship than a media plan tells

¹¹³ cf. Bob Bomlitz group (2004), p. 16

¹¹⁴ For a more detailed description of exposure-based methods see Pham (1991), p. 53; Bruhn (2003), p. 130ff

¹¹⁵ cf. Cornwell / Maignan (1998), p. 5

¹¹⁶ cf. Ukman (2004), p. 136-137, Pham (1991), p. 53

¹¹⁷ cf. Pham (1991), p. 54

about advertising effectiveness.¹¹⁸ Critics also challenge the usage of exposure-based methods for assessing advertising campaigns: "While universally-accepted, scientific-sounding formulas are used to measure advertising, these formulas are meaningless in terms of capturing a company's return on advertising investment. Ratings do not reveal if anyone actually watched the ad, if anyone remembered it a day or a week later, if the ad led to attitude or behavior changes, strengthened brand loyalty, etc".¹¹⁹ According to critics, not the exposure itself should be measured, but the awareness of the exposure within the target audience and its effect on brand perception.

Some practitioners may argue that exposure figures are only indirect measures of sponsorship effectiveness and can be seen as a proxy. In this respect, it must be considered that exposure-based methods generally overestimate the effect of a sponsorship. Research has shown that large exposure times (e.g. billboard advertising in a soccer game) does not necessarily result in higher sponsor recall or recognition rates. Sponsorship exposure rates can not be directly compared with paid advertising coverage. One should keep in mind that people who attend a sponsored events or watch it on TV, are interested in the event itself and not in the sponsors. High interest in the event may even impair attention to sponsorship, as viewers of a soccer game will be more likely to focus their attention on the game and not on any perimeter advertising. It is not reasonable to assume that an opportunity to see a brand logo will always end up in sponsor awareness or even in a measurable response.

Another aspect that reduces the validity of exposure methods is that sponsorship stimuli are very inexplicit and do not tell anything more about a brand or company. In comparison to advertising, sponsorship exposure is not linked to any concrete message from a company and does not contain any information about its products and services.

3.2.2 Quantitative survey methods

Quantitative surveys are another common approach to measuring sponsorship effectiveness. While exposure-based methods focus on the stimulus, surveys measure the actual response of individuals. Surveys should therefore be used complementary to exposure-based methods. Surveys can include a large range of topic areas, the most frequently used measurements are sponsorship awareness, sponsor image and attitudes toward sponsors and sponsorship.

Surveys in the area of sponsorship can be classified according to the following criteria: ¹²⁰

- Target audience (clients / users, prospects, employees, event visitors, special target groups)

¹¹⁸ cf. Pham (1991), p. 54.

¹¹⁹ Ukman (2004), p. 136

¹²⁰ For a more in-depth classification of survey methodology, see Bortz (2005).

- Geographical scope (regional, national, global)
- Methodology (telephone, mail, on-line, face-to-face)
- Timing (before / during / after event, repeated every year)
- Content (sponsorship awareness, recall / recognition, image, attitudes)

The most frequently used forms in the area of sponsorship are on-site surveys and telephone interviews among a geographically defined target audience.

On-site surveys

If the main focus of the sponsorship is on-site activities, interviews among event visitors can immediately capture the impact of the sponsorship on elements such as brand awareness, product imagery and future purchase intent. Moreover, on-site interviews may be the only means to capture the recall of a specific marketing or promotion activities that respondents will forget shortly after the event. Most importantly, on-site measurements often represent the highest level of impact in terms of awareness and positive imagery.¹²¹

Another survey form related to on-site interviews are re-contact interviews. While on-site interviews often show the highest possible impact level, re-contact interviews are helpful to evaluate the mid- and long-term impact of sponsorship. Re-contact interviews are usually conducted by phone with visitors of an event a certain time period after their exposure to the sponsorship. They aim to measure durable changes in sponsorship awareness, brand perception and post-event buying behavior. A short time period after the event (2-5 days) is often used when the immediate impact needs to be tested, while a delay of weeks or even months may be used to test long-term effects on post-sponsorship buying behavior. Re-contact surveys may also be valuable in cases where on-site interviews are not possible due to time or other constraints.

Telephone interviews

Telephone interviews may be completed with members of a specific event audience, a target market or a product user group, and may be conducted on a national, regional or local level. Telephone interviews provide the most useful information when the center of impact is on print or broadcast media, and when the sponsorship has little on-site relevance or the impact develops slowly over time.

¹²¹ cf. Pearsall (2005), p.5

A special form of telephone interview is the tracking study. Tracking studies can monitor the effectiveness of sponsorships over time, providing insights about the development of awareness and response from a sponsorship's origin to its peak level and the eventual leveling-off. Tracking studies are most useful for on-going sponsorships that are intended to reach a national audience and that are mainly focused on generating media coverage. With the exception of some syndicated studies of specific large-scale sponsorships (such as the Olympic Games), most tracking studies do not concentrate on one particular sponsorship or event audience and therefore lack detailed feedback. As a result, they should rather be used as periodic checks on sponsorship performance, rather than as a complete evaluation tool.¹²²

Limitations of survey-based methods

Survey-based methods are useful in measuring consumers' reactions to sponsorship in a quantified form. Since surveys are generally based on fairly large sample sizes, the results of such studies have high credibility and are often considered as 'hard facts'. However, there are a number of methodological issues that should be looked into when conducting quantitative surveys. Not considering these aspects may impair the quality of such studies and cause the results to suffer from low validity and unreliability.¹²³

- *Discriminant Validity*: It has been questioned if a survey is a valid method to measure sponsorship effects. The problem is that telephone surveys will not only measure the effects of sponsorship, but they are also likely to measure the effects of other marketing variables at work at the same time.¹²⁴ Since it is unlikely that sponsorship is the sponsor's only marketing activity, interference effects between different marketing activities must be expected.¹²⁵ Isolating the effects of sponsorship is therefore critical when conducting surveys. To identify and isolate the real causes, a researcher would typically run a laboratory experiment, which is the only available method to guarantee causation.¹²⁶ However, experiments are often not applicable in practice. Instead, Pham suggests an 'experimental spirit' when conducting surveys: "When any effect is recorded, the scientist will always try to identify competing explanations. The more competing explanations the researcher can rule out, the more confident he is about the validity of the results."¹²⁷

¹²² cf. Pearsall (2005), p. 5

¹²³ For a more detailed discussion of methodological issues in the survey methodology see Schell / Hill / Esser (1999), p. 330; Bortz (2005)

¹²⁴ cf. Pham (1991), p. 59

¹²⁵ Interaction effects between different types of sponsorship were empirically observed by Chien / Cornwell / Stokes (2005).

¹²⁶ For some examples of laboratory experiments see Coppetti (2004), Lardinois / Derbaix (2001).

¹²⁷ cf. Pham (2000), p. 59

- *Guessing and ambush marketing:* When evaluating measures of effectiveness, sponsors will inevitably face some noise in the marketing environment that will impact the results of survey studies. For instance, when asking a random sample of people to identify the sponsors of some activities or events, many respondents will give a wrong response.¹²⁸ Instead of ignoring there wrong responses, sponsors should take them into account. Wrong responses may indicate some guessing effect, especially in a highly cluttered sponsorship environment. The number of right responses clearly overestimates the real effect, and corrections for guessing should be applied. Additionally, wrong responses may also indicate that a company other than that of the sponsor has succeeded in associating itself with the sponsored event. This phenomenon is known as 'ambush marketing' and has notably occurred during larger sports events such as the Olympic Games.
- *Sampling bias and sampling error:* In addition to incorrect responses due to guessing or ambush marketing, additional uncertainty is contributed by the fact that surveys are only conducted among a restricted number of individuals, the sample. Sponsors should make sure that the sample is representative of the target group and that it is large enough to be significant. When conducting for example a pre-post test among 50 individuals before and after an event, a large part of the changes may be simply attributed to chance (sampling error). If the target group of a sponsor were specified as 'male and female, living in the NY area', it would be inappropriate to run a survey in front of Yankee Stadium (sampling bias).

3.2.3 Qualitative methods

The aim of qualitative methodology is to explore those attitudes and motives of respondents which lie on an emotional or unconscious level and can not be quantified or measured using quantitative survey methods.¹²⁹ Researchers often make use of qualitative methods when they approach a topic that has not been researched before. Conducting exploratory research is often seen as a first step in a research project and serves as a basis for larger quantitative surveys. It is useful to gain insight in consumers' emotional involvement in a topic area and to find out about their decision making processes.¹³⁰

Qualitative methods can be divided into two broad areas: focus groups and in-depth interviews. Both methods have been widely used for sponsorship research purposes.

¹²⁸ In a survey conducted about brand recall at golf and tennis tournaments in the US, it was observed that some companies were connected more to golf than to tennis, although in fact they were not sponsoring golf at all. Cf. Nicholls / Roslow (1999), p. 379

¹²⁹ cf. Sauermann (1999), p. 116

¹³⁰ For more information about qualitative research see Heinze (2001).

- *Focus groups* are most helpful in understanding the dynamics between sponsorship and consumer behavior, and they are typically implemented when testing a new sponsorship strategy or relevant activations. Focus groups can help to explore likes and dislikes concerning sponsorship, the appropriateness of different activation programmes, the expectations of consumers from sponsors and how a sponsorship can bring a brand closer to its customers. It can also give insights about the limits of sponsorship activation, at what point sponsorship becomes 'too much'. Participants generally represent a key target market or are recruited from specific event audiences.¹³¹
- *In-depth interviews* are used in quite the same way as focus groups, but they are more suitable to explore more personal perceptions and attitudes on an individual's emotional level. Personal interviews can reveal more about the psychological aspects of information processing and the individual's attitudes towards sponsorship than is possible with focus groups. They additionally allow introducing various special forms, such as scenario testing, where participants may be confronted with various scenarios of sponsorship activation and then explain which scenario they would appreciate and why.

Limitations of qualitative methods

In-depth interviews and focus groups represent a more controversial form of research than quantitative surveys. The main problems and criticisms can be summarized as follows:

- The quality of the research is highly dependent on the interviewer's professional competence. Interviewers must be very sensitive to respond to the interviewee's reactions and be able to probe and dig deeper at the appropriate moment. In this respect, they also need to be sensitive to any tension in the respondents and to guide them skillfully through delicate parts of the interview.¹³²
- Although the results of qualitative interviews allow a certain amount of generalization, no quantitative figures can be deducted. It can be shown for example how attitudes and opinions about sponsorship are built, but qualitative methods cannot show which attitudes or opinions actually prevail in the broad public. It is also impossible to test the results for significance.
- Qualitative research is intensive in terms of time and costs, since the interviewers have to deal with every respondent individually. Due to the breadth of information gathered, analysis is more complex and less straight-forward than with quantitative surveys.

¹³¹ cf. Pearsall (2005), p. 5

¹³² cf. Heinze (2001), p. 161

3.3. Sponsorship controlling models

There is no universal measure to assess the success of sponsorships. A measurement approach strongly depends on the individual characteristics of each sponsorship as well as on the objectives that were defined for each property. The general consensus among measurement experts is that 'one size doesn't fit all',¹³³ meaning that each project should be approached as a unique problem with a special set of parameters and objectives.

Nevertheless, there is a need for approaches that can consistently demonstrate objective and quantifiable results of sponsorship investments and that allow a comparison of effectiveness and efficiency across different sponsorship properties. Although most companies do measure their sponsorship investments in some way, most of their controlling activities are limited to the tracking of the media exposure generated, and the usage of survey-based or qualitative methods is rather restricted to large-size companies that invest a considerable budget into sponsorship. These companies may apply some sort of consistent sponsorship controlling, but since such information is generally not available to the public, little is actually known about how sponsors measure their sponsorship activities.¹³⁴ There are a number of academic approaches that look at sponsorship controlling from a fairly theoretical point of view and are less likely to be applied in practice. On the other hand, many research and consulting companies offer some kind of sponsorship evaluation or ROI models, but these approaches are often not transparent and may be specifically adapted to meet company's individual needs and requirements. The next sections show some selected approaches both from scholars and sponsorship consulting companies.

3.3.1 Academic approaches

Academic approaches look at sponsorship evaluation from a strategic point of view, aiming to embed the area of measurement into a broader picture of corporate communications strategy. Since such approaches are likely to be very general and do not take into consideration the individual circumstances of a company or sponsorship property, they are not directly used in practice. However, academic approaches can serve as a reference framework for the development of applied evaluation systems.

¹³³ cf. Ukman (2004), p. viii

¹³⁴ There is a very limited number of studies that approached this topic area. As an example, a study initiated by the Marketing Leadership Council (2004) investigated how ROI is measured by a number of different companies, among them Dr. Pepper, Master Card, ExxonMobil, GM, and Chase. In Switzerland, Gäumann / Stahl (2005) researched how Rivella, Migros, Coop, Swisscom, Credit Suisse, PostFinance and others evaluate their sponsorships. The principal finding of such studies is that each company uses a custom-made approach that is aligned with the company's individual needs and that does not allow any comparability with approaches of other firms. cf. Marketing Leadership Council (2004), p. 7-17; Gäumann / Stahl (2004), p. 39-62

Despite the increasing academic interest in the area of sponsorship measurement and the large number of empirical studies conducted in this area,¹³⁵ there is only a surprisingly small number of scholars that have come up with sponsorship controlling approaches so far. The following section will highlight the models of Bruhn (2003) and Cotting (2000, 2003).

Sponsorship Controlling Framework (Bruhn)

Bruhn identifies two different types of indicators that should be considered when building a controlling system: company related and sponsorship related indicators

- *Company related indicators* observe the effects of sponsorship on the company. They may include topic areas such as the impact on corporate image, brand familiarity or employee engagement. It usually involves market research studies that are carried out over a longer period of time.
- *Sponsorship related indicators* refer to a single sponsorship property or activity. They may include ex-post-tests after a specific event, media coverage analysis for an individual property, or pre-post tests around a larger event. Observed indicators include are interest, acceptance, awareness or advertising equivalent values.

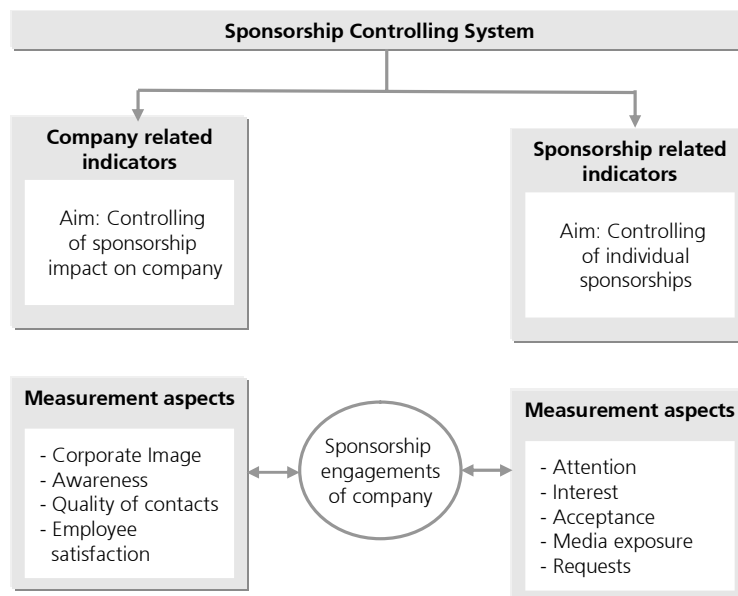


Figure 8: Sponsorship controlling framework. Source: Bruhn (2003), p 364

¹³⁵ see chapter 5

Bruhn suggests using objective indicators that allow providing valid information about the effects and the success of sponsorships. Additionally, he recommends conducting qualitative research (in-depth interviews or focus groups) and introducing sponsorship panels.

Sponsorship scorecards (Cotting)

The sponsorship scorecards approach is based on the idea that there are financial as well as non-financial figures that should be included in a measurement system. This idea was initiated by Cotting (2003), who bases his approach on the 'Balanced Scorecard Theory' as it was originally developed by Kaplan / Norton (1996).

The usage of a balanced scorecard to assess sponsorship provides a set of advantages:

- A scorecard approach is strictly oriented towards figures and metrics, which provides a high level transparency and comparability among different events.
- A sponsorship scorecard includes financial as well as non-financial figures, which allows a holistic assessment of sponsorship. This is especially important for sponsorship, because most of its effects are not measurable in financial terms.
- Sponsorship scorecards may give indications about the effectiveness and efficiency of different investments from different points of view.
- Scorecards cover all phases of the sponsorship project. They can be used for decisions about choosing the right property, selecting the right leverage approach as well as post-event evaluation.¹³⁶

The scorecard as proposed by Cotting is divided into four content areas, which are seen as the key areas of sponsorship measurement: processes / management, target groups, earnings / costs, and experiences. Each of these areas is subdivided into different aspect of measurement. The scorecard approach is showed in figure 9:

¹³⁶ cf. Hitchen (1995)

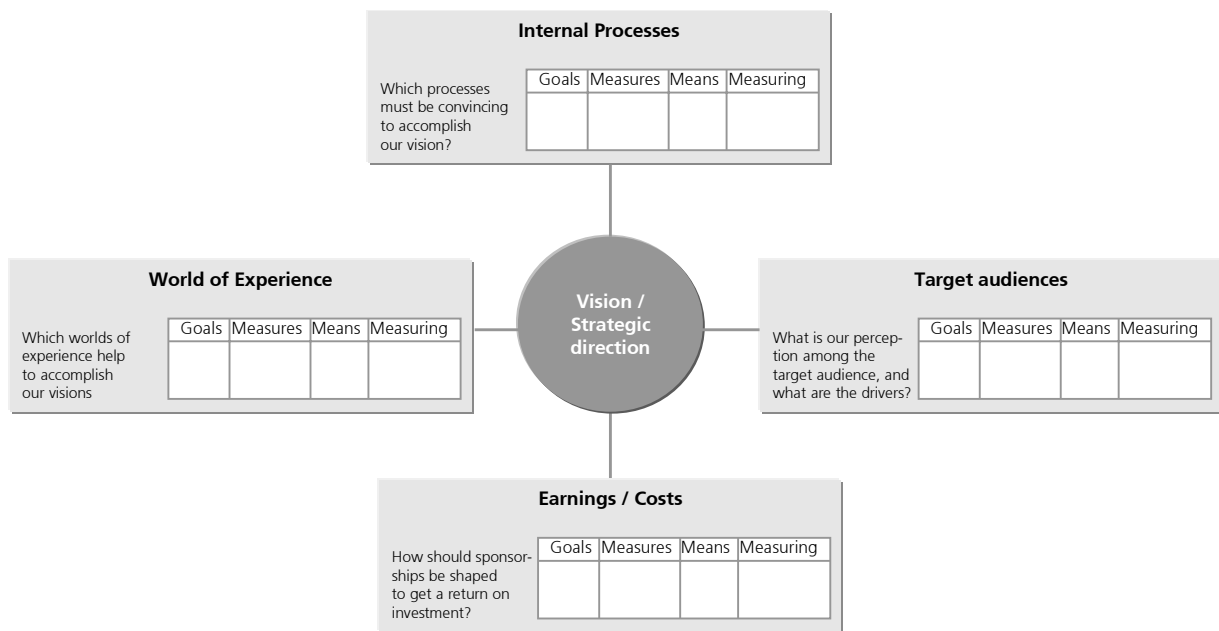


Figure 9: Sponsorship Scorecards. Source: Cotting (2003), p. 100

- *Process / management*: This perspective includes indicators of how effective internal sponsorship processes are. Relevant indicators are number of internal staff, handling time, and satisfaction of involved staff. To increase the quality of sponsorship activities, it is suggested to conduct feedback meetings and visitors surveys on a long-term basis.
- *Target audience*: This perspective deals with the affective and cognitive impact of sponsorships on clients / prospects and stakeholders. Aspects investigated include the target audience's attitudes, images and interests towards the sponsorship areas, whereas cognitive aspects mainly encompass recall of sponsorship activities (aided and unaided).
- *Earnings / costs*: This perspective gives an overall assessment of sponsorships, with the aim of calculating a return of investment for current projects as well as giving an estimate of potential new sponsorship engagements. To actually calculate a monetary price / earning ratio, Cotting suggests considering a set of different metrics, such as sales increase, effect on purchase intention, as well as the calculation of an advertising equivalent value deriving from media exposure. To calculate the costs, all sponsorship-related investments have to be considered (typically consisting of sponsorship fee, expenses for activation, and hospitality events). Additionally, a set of metrics can be used to relate the actual costs with the media

reach: cost per interest (CPI), cost per thousand (CPT), cost per point (CPP), cost per order (CPO).¹³⁷

- *World of experience*: According to Cotting, 'experience' is an important aspect which is unique to sponsorship and should be reflected in a controlling system. Sport sponsorships for example hold a certain risk because performance of an athlete may be instable, or public perceptions of a certain area may change because of scandals and negative news. The experience of the target audience in combination with the sponsored area should therefore be controlled in some way. Cotting suggests two ways to do so: Firstly, by identifying trends and risks; and secondly, by measuring the media exposure of the sponsor.

3.3.2 Applied approaches

Besides the theoretical work done by scholars, there are some specialized research and consulting agencies that offer a range of services to evaluate sponsorship arrangements. Probably the most important source for sponsorship-related information in general is IEG (International Event Group), a company which also provides a method to assess the value of single properties.¹³⁸ Although most market research companies do offer some kind of sponsorship services, there are a few that are heavily specialized in sponsorship measurement. Internationally renowned agencies are SRI (Sponsorship Research International) and Performance Research. There are many companies that specialize in media evaluation, among which IFM and Factiva may be the most well-known.¹³⁹

It must be pointed out that these companies offer commercial services that are targeted to business clients, thus methodological details and results are generally not accessible to the broad public. The summaries below refer to the information that is publicly available.

IEG Valuation Service

'IEG Valuation Service' represents a form of evaluation that aims to solve the problems in assessing and comparing sponsorship arrangements. The approach was introduced by IEG, an American consulting company, based on their experience of the difficulty sponsors and rightholders have in assessing a realistic monetary value to their sponsorship deals. Since its introduction, the method has become an objective and universally accepted standard in assessing sponsorship value, and it has been used by many rightholders and some of the world's largest sponsors.

¹³⁷ These metrics mostly derive from advertising planning.

¹³⁸ See more details on www.sponsorship.com

¹³⁹ An overview of sources for sponsorship information and sponsorship research companies is given in Ukman (2003), p. 148-142

Every year, IEG analyses more than 3000 sponsorship opportunities and audits more than 500 sponsorship programs. By analyzing patterns between the amounts that sponsors pay and the benefits they get, IEG has codified a range of values for sponsorship benefits and has established a formula for calculating sponsorship fees. To determine the value of a sponsorship, IEG assesses the following aspects:¹⁴⁰

- *Tangible benefits*: e.g. media impressions, program book advertising, tickets and hospitality, and on-site signage.
- *Intangible benefits*: e.g. level of audience loyalty, category exclusivity and recognition / awareness of brands and logos.
- *Geographical reach*: reflecting the size and value of the markets in which a property's logos are usable and relevant.
- *Cost / benefit ratio*: an indicator of how much value can be attributed to each USD invested in rights fees.
- *Price adjusters / market factors*: e.g. competitiveness within a category, number of categories a sponsor purchases, length of sponsorship.

The IEG valuation report is based on a detailed questionnaire that must be filled in by rightholders. By feeding this information into their model, IEG is able to compare the data with thousands of other sponsorship deals and to come up with an overall assessment of the sponsorship's value. The service is generally directed to rightholders to give them a third-party assessment as a base for negotiations with sponsors, but it can also be used by sponsors to review the value-for-money offered by their properties.

The IEG approach is worldwide unique. However, since it quite costly, it is generally only applicable to major projects.

ROI Measurement

The variety of evaluation methods to choose from and the uncertainty about which measurement techniques are most suitable has inspired sponsorship managers and consultants to develop models that predict and evaluate a sponsorship's return on investment (ROI). Some research companies, advertising agencies and corporate sponsors still work towards this end, although no standard methodology has prevailed so far.

¹⁴⁰ cf. IEG (2003), http://www.sponsorship.com/products/202_product_index.asp:

For example, IEG created a four step measurement methodology with the fourth step being a calculation on ROS (return on sponsorship).¹⁴¹ Ideally, sponsors should measure multiple objectives at the same time (e.g. increase in brand awareness, sales in event markets, generated media exposure etc.) which would result in six to twelve otherwise unrelated data points. The IEG process for quantifying the actual link between objectives and results begins with the creation of a econometrical model that captures all the relevant factors. The different data points are mathematically converted into monetary equivalents, which need to be weighted to reflect client priorities and are then summed up to a total value. Since sponsorship does not operate in a vacuum but rather is accompanied by other marketing activities, there should be a correction factor that accounts for concurrent influences and isolates the portion attributable to sponsorship.¹⁴²

When dealing with such mathematical models, the question arises if such models are feasible and if they yield valid results at all. The answer refers back to the sponsorship objectives. How many objectives are actually shared, and how do they change over time? Is there a need for standardization by scientific models which may be contrary to the flexibility and uniqueness of special event marketing? While the debate on this issue will go on, the consensus to date is that there may never be an adequate industry-wide standard to measure sponsorship effectiveness. However, this does not mean that current-day sponsorships can not or should not be measured.¹⁴³

3.4. Summary

Chapter 3 investigated how sponsorship effectiveness can be evaluated from a sponsor's point of view. The chapter can be summarized as following:

- Measuring sponsorship is a difficult area, and only very few companies track the results of their sponsorships in a consistent way. Although sponsorship investments are constantly rising, attempts to systematically measuring its outcome remain rare.
- There are some problems that arise when implementing measurement systems, such as interdependencies among sponsorship and other marketing activities and any attendant carry-over effects. A frequent problem is that no measurable objectives are set.
- There is a range of tools that may be applied to track sponsorship success. The most popular of these is measuring media exposure generated through sponsorship. However, such

¹⁴¹ This approach is called the 'IEG Measurement Methodology'. The first step is setting objectives and baselines; the second step, creating the measurement plan; the third step, implementing the measurement plan; and the fourth step, calculating return on sponsorship. Cf. Ukman (2004), p. 3-43

¹⁴² cf. Ukman (2004), p. 40

¹⁴³ cf. Pearsall (2005), p. 6

measures do not reveal the attitudinal reaction of consumers. To better capture these emotional aspects, quantitative survey methods (e.g. on-site interviews, telephone interviews) or qualitative methods must be used.

- Sponsorship controlling has not raised any major interest in the academic community. A few approaches have been developed, but none of them has achieved any degree of practical relevance. From just such a practical perspective, some consulting companies offer services to estimate the monetary value of commercial sponsorships.

4. Explanation of Sponsorship Effects

The enhancement and reinforcement of brand image has been identified as one of the major objectives of sponsorship investments.¹⁴⁴ However, many companies rely on the positive brand impact of their sponsorships without ever having tried to explain the effects on consumers' brand perception more in detail. The mere fact that sponsorship has become increasingly popular is already seen as proof of its usefulness.¹⁴⁵ A better understanding of how sponsorship works in the consumers' minds, and on which factors it depends, can serve a sponsoring company in two different ways: On the one hand, in a very practical sense it gives strategic insights into issues of sponsorship selection as well as tactical guidance for leverage activities; and on the other hand, it can serve as a basis for an improved sponsorship controlling and measurement system. In both ways, the understanding of sponsorship effects among the target audience is a necessary prerequisite to optimize its effectiveness with regard to brand-related sponsorship objectives.

The attempt to explain sponsorship effects has a relatively short history. The first tentative approaches were developed in the late eighties and early nineties, when sponsorship research emerged as a new scientific discipline.¹⁴⁶

Although a range of different theoretical approaches to explain sponsorship effects have appeared in the academic literature in the meantime, scientific research in this area is still surprisingly scarce: "Despite the evident importance of this marketing phenomenon, little is known about how sponsorship works in terms of its impact on and relationship with the consumer".¹⁴⁷ Also Cornwell and Maignan, who conducted one of the most exhaustive reviews of the literature, state that "sponsorship research to date has not adopted any specific theoretical framework that could guide investigations of consumers' reaction to sponsorships".¹⁴⁸ Most of the research in this area is applied in nature and does not provide many theoretical insights into how sponsorship functions.¹⁴⁹ Furthermore, the different approaches mostly focus only on partial effects of sponsorship, which results in inconsistency and low comparability with existing research.¹⁵⁰ Some authors attempted to draw comprehensive approaches to explain different dimensions of sponsorship effects within one model, however, most of these models are of a theoretical nature and have not been tested empirically.

¹⁴⁴ cf. section 2.4

¹⁴⁵ cf. Walliser (1995), p. 79

¹⁴⁶ Early approaches in the German speaking literature mainly include works of Bruhn, Hermanns, Walliser, Drees and Erdtmann. Important Anglo-Saxon works are from Giannelloni, Meenaghan, Pham, Anne and Chéron and others. For more details, see Walliser (1995), p. 79.

¹⁴⁷ Meenaghan (2001), p. 96

¹⁴⁸ Cornwell and Maignan (1998), p. 14

¹⁴⁹ cf. Mc. Daniel (1999), p. 166

¹⁵⁰ cf. Walliser (1995), p. 79

Chapter 4 attempts to give a structured overview of different approaches and theories that have emerged to explain the effects of sponsorship on the sponsor. It is divided into three sections: The first section focuses on processes that are activated in a consumers' mind when someone is exposed to sponsorship messages. It explains the different ways in which information is processed and what reactions can be provoked. The second section examines different moderating factors that can affect the extent of sponsorship effects. It will be shown that different internal and external effects, such as the perceived sponsor-event fit and the level of involvement can have a significant influence on sponsorship perception and individual response. The third section will then display some of the few comprehensive models on sponsorship effects that have emerged so far.

The structure of chapter 4 is shown in figure 10:

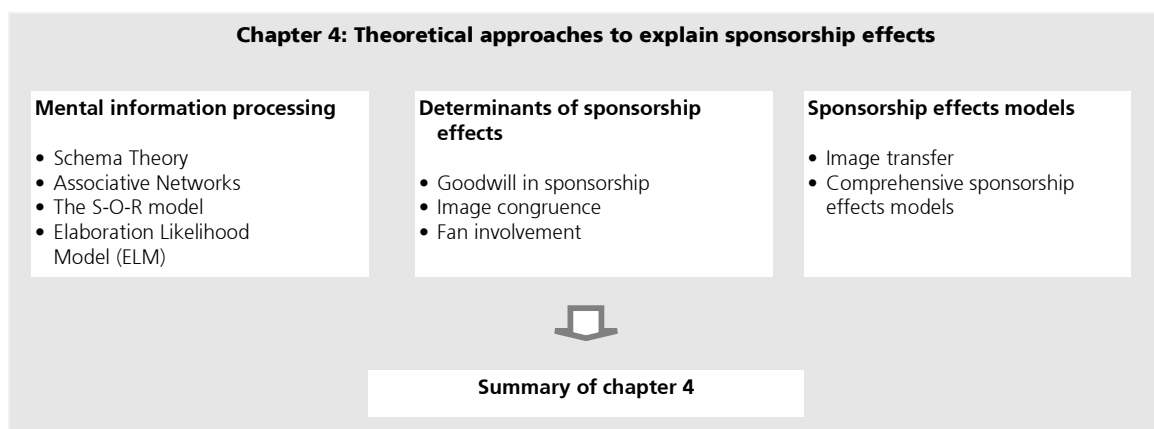


Figure 10: Structure of chapter 4

4.1. Mental information processing

Many studies about sponsorship effects have examined individual and environmental factors that influence responses to sponsorship, but only few have tried to theoretically explain how sponsorship works in the mind of consumers.¹⁵¹ There are different frameworks to explain the impact of sponsorship on consumers from a theoretical viewpoint, but none of them has prevailed so far. Scholars have used at least three different major types of models: hierarchy models, communication models or information processing models.¹⁵² Since these categories are overlapping to some extent and are not selective, it is difficult to give a structured overview of existing approaches.

¹⁵¹ cf. Cornwell / Weeks / Roy (2005), p. 22

¹⁵² cf. Walliser (1997), p. 81

This chapter looks at some information processing related models that are derived from cognitive psychology and were actually developed before sponsorship research became a scientific issue. They were originally applied more to advertising research, but were later successfully transferred to sponsorship.¹⁵³

Each section follows the same structure: First a short description of each approach is provided that shows the basic ideas of the model; then it is shown what makes them relevant for explaining sponsorship effects and how the models have been used within the sponsorship literature.

4.1.1 Schema Theory

Basic idea

Schema theory is a theoretical approach based on the idea that humans use categories to organize and structure information in their memory. Schema theory has proved to be one of the most relevant theories in cognitive psychology.¹⁵⁴ It was introduced to communication research in the 70es, and since then has provided a base for various approaches of explaining advertising perceptions and effects.

A schema can be defined as an "abstract or generic knowledge structure, stored in memory, that specifies the defining features and relevant attributes of some stimulus domain, and the interrelations among these attributes."¹⁵⁵

Schemas develop through exposure to a stimulus (e.g. a situation, person, or object) and are believed to guide the perception, thought and actions of consumers in subsequent instances.¹⁵⁶ Schemas are a way to process and store large amounts of information with the least possible cognitive effort. Instead of having to recall from memory what behaviors are appropriate in a specific situation or what evaluations have been made of a specific object, schemas allow one to simply recall knowledge related to the general type of situation or object.¹⁵⁷ Categorization allows individuals to organize similar information in the same category, differentiating it from information that is not in that category.

When a new stimulus is perceived, its congruence with existing schemas is assessed. If the stimulus is perceived to be congruent, then a new piece of information is incorporated into the schema. If a stimulus is incongruent with an existing schema, individuals assimilate the new piece of information with the schema. In the case of severe incongruity between stimulus and schema, individuals

¹⁵³ cf. Glogger (1999), p. 168ff; Coppetti (2004), p. 47ff; Hermanns (1997), p. 110ff

¹⁵⁴ cf. Rothe (2001), p. 165

¹⁵⁵ Crocker (1984), cited in Coppetti (2003), p. 52

¹⁵⁶ cf. McDaniel (1999), p. 167

¹⁵⁷ cf. Gwinner / Eaton (1999), p. 50

employ an alternate schema which matches the stimulus better, or they develop a new schema to accommodate the stimulus.¹⁵⁸

Schemata do not only affect the process of how new information is received, they also impact the attentiveness towards this information as well as the extent to which the information is stored in memory.¹⁵⁹

Relevance of schema theory to sponsorship

When applying schema theory to communication processes such as sponsorship or advertising, the following principles are relevant:¹⁶⁰

- Schemas organize information processing. They show cognitive and motivational attributes and represent everyday life as well as specific knowledge. If a company is sponsoring an event, information about the company will be processed according to the existing schemas that have been built up for the company in the past. Additionally, it will be processed according to the schemas of the event in the consumer's mind.
- Schemas have a manifold functionality because they do not only define which information is perceived and stored, but also how new information is evaluated. Additionally, they allow the understanding of incomplete messages.

From a sponsorship perspective, perceived congruence between the sponsored object (e.g., an event) and the sponsor is decisive to whether the sponsor's brand is incorporated into the event schema or not. Consumers use their existing schemas to judge how the brand and the sponsorship category match. Essentially, schemas determine the strength of the link between a sponsor and an event, which in turn influences whether an image transfer takes place or not. "The greater the match-up perceived, the greater the likely transfer of images".¹⁶¹

Originally the applicability of schema theory and its match-up hypothesis were evaluated for predicting consumer responses to different celebrity endorsements. Misra and Beatty found empirical support for what they call the 'filtering model': "When an individual receives new information on a brand, any information that is incongruent with or irrelevant to the celebrity's characteristics (existing schema) may be filtered out, while congruent information will be more readily encoded, thus leading to subsequent recall superiority for the congruent information (i.e. brand attributes)."¹⁶² A large share of subsequent empirical studies of the match-up hypothesis in

¹⁵⁸ cf. Coppetti (2003), p. 52

¹⁵⁹ cf. Eagly / Chaiken (1993), p.18, in: Rothe (2001), p. 164

¹⁶⁰ cf. Rothe (2001), p. 165

¹⁶¹ Smith (2004), p. 460

¹⁶² Misra and Beatty (1990), p. 162

both celebrity endorsements and sponsorship contexts has been based on this filtering model. Empirical studies that investigated the match-up hypothesis in the sponsorship context have shown that sponsor-event fit affects constructs such as sponsorship awareness, brand image, corporate image and brand attitude as well as sponsor interest, favorability and product usage.¹⁶³

4.1.2 Associative Networks

Basic idea

Associative Network Theory is one of the main frameworks within cognitive psychology for understanding human information processing and judgment. This model depicts memory as an organized network of nodes that are linked through associative pathways (also called 'links').¹⁶⁴ Individual nodes within the memory can be more or less accessible and easy to recall, and the links between nodes can be strong or weak. A 'node' actually represents a single piece of information which can be stimulated with a process called 'activation'. A node can become a potential source of activation for other nodes either when external information is being encoded or when internal information is retrieved from one's long-term memory.¹⁶⁵

The process when one set of nodes prompts thinking about other linked nodes is called 'spreading activation'.¹⁶⁶ In other words, thinking of one concept activates thinking of the other. When the activation of a node exceeds some threshold level, then information contained in this node is recalled. The extent of 'spreading activation' depends on the strength of associations between the activated node and all linked nodes.

Relevance of Associative Network Theory to sponsorship

Associate Network Theory has been applied to the conceptualization of different sponsorship and branding related aspects, such as brand extensions, celebrity endorsement and image transfer in sponsorship.¹⁶⁷ It was also used as a basis for Keller's early brand equity model.¹⁶⁸

Various authors who attempted to build image transfer models made reference to Associative Network Theory.¹⁶⁹ In this context, it is analyzed how the image of a sponsee can be linked to the image of the sponsor and how intermediate factors determine the extent of the image transfer.

¹⁶³ For a more in-depth review of empirical research on the match-up effect, see Coppetti (2003) p. 61 ff.

¹⁶⁴ cf. Collins and Loftus (1975), p. 408

¹⁶⁵ cf. Keller (1993), p. 2

¹⁶⁶ cf. Anderson / Bower (1973)

¹⁶⁷ cf. Smith (2004), p. 458

¹⁶⁸ cf. Keller (1993)

¹⁶⁹ e.g. Smith (2004), p. 460 and Glogger (1999), p.128 ff

Generally, the main point of attention in a sponsorship context is not the sponsor, but the sponsee. Attending a sports or cultural event evokes emotional responses among attendees and changes or reinforces their image of the event. Similarly to what was discussed with respect to brand knowledge, one's knowledge about an event is enhanced by information from external stimulus, which activates nodes that are linked to other nodes already held in one's memory. At the same time, the recipient is exposed to a brand's logo or advertising. As a result of the simultaneous exposure to both the sponsee and the sponsor, the sponsor will be associated with attributes that originally were linked to the sponsored object only. The sponsor's image can be affected in two ways:¹⁷⁰ either the new information represents an extension of already existing attributes, which results in a modification of the existing image (image modification), or a new image can be built if associations are based on a very low knowledge base (image building). Furthermore, there may be situations where associations between the sponsored object and the sponsor are congruent. In this case, the simultaneous activation of identical existing associations will strengthen the image of the sponsor (image stabilization).

Figure 11 shows a theoretical example of how ideas associated with a financial services firm could be linked with the image of a professional sailing team.



Figure 11: Fictitious associative network after an image transfer. Source: adapted from Glogger (1999), p. 130

The explanations above refer only to a hypothetical process of image transfer. In reality, the extent of image transfer depends on various internal and external factors, which can be summarized as follows:¹⁷¹

¹⁷⁰ cf. Glogger (1999), p. 130

¹⁷¹ cf. Glogger (1999), p. 133ff

- The extent to which the receiver of the stimulus is aware of the link between the sponsored object and the sponsor is a determining factor for the resulting image transfer. If the receiver is not aware of sponsoring brands,¹⁷² there is likely to be no change in the associations of these brands. This effect is also known as 'contingency awareness' and has been observed in early studies: "People do not learn despite repetitive paired experiences unless they recognize that events are correlated." ¹⁷³
- The extent to which the receiver is cognitively involved is seen as a determining factor for the extent of image transfer. Cognitive involvement includes actions such as linking impressions and comparing them with past experiences as well as drawing conclusions from new impressions. In terms of sponsorship, the ultimate goal should be not only to make people aware of the sponsorship, but also to involve them in a cognitive way.¹⁷⁴
- Another important determining factor is the familiarity of a receiver with the two stimuli. This item is also known as the 'pre-exposure effect'. It is unlikely that the image of an object will be changed if associations about this object are already well-established in the receiver's mind. This issue has been analyzed empirically for advertising, although with mixed results.

4.1.3 The S-O-R model

Basic idea

The S-O-R model (stimulus – organism – response) was developed to simply explain the effect of communications measures on consumer's response. The S-O-R model was originally based on the behaviorist S-R paradigm (stimulus – response), a model that tried to explain human behavior based on observable factors only. The S-R model assumes that external stimuli directly lead to certain reactions, thus stating that individuals will always react the same way to a given stimulus.¹⁷⁵ The S-R approach factors out all non-observable processes that happen in an individual's mind and consider these factors as irrelevant or unknown. Psychological processes are referred to as the 'black box'.

Relevance of the S-O-R model for sponsorship

According to Hermanns (1997), the S-O-R approach is not suitable to explain consumer behavior and attitude change through sponsorship. Although it shows which variables may play a certain role

¹⁷² The extent of sponsorship awareness can be measured using recall and recognition tests, cf. section 8.2.

¹⁷³ Bandura (1974), in Glogger (1999), p. 133

¹⁷⁴ cf. Glogger (1999), p. 135

¹⁷⁵ cf. Glogger (1999), p. 96

in the process of sponsorship effects, it does not explain how these variables are connected to each other.¹⁷⁶

Nevertheless, there have been attempts to use the S-O-R model to explain sponsorship image transfer.¹⁷⁷ Since image transfer is a hypothetical construct that is neither observable nor results in some immediate action (e.g. purchase), the 'response' part of the model as used in neo-behaviorist S-O-R models can actually be neglected. The point of interest in this context is rather the interdependence between the stimulus and the organism (S-O connection).

When using this approach, the sponsorship message represents the 'stimulus'. The 'organism' part consists of various factors such as involvement, attentiveness, perception and learning, which serve as moderating factors for the extent of the image transfer. The 'response' variable is represented by the image of the sponsor, or more exactly, the extent of image change. It must be considered that in this setting the response is actually represented by a hypothetical construct that can not be observed and can only be measured indirectly. However, a change of image can be seen as a pre-stage to any possible change in behavior. Figure 12 shows these processes:

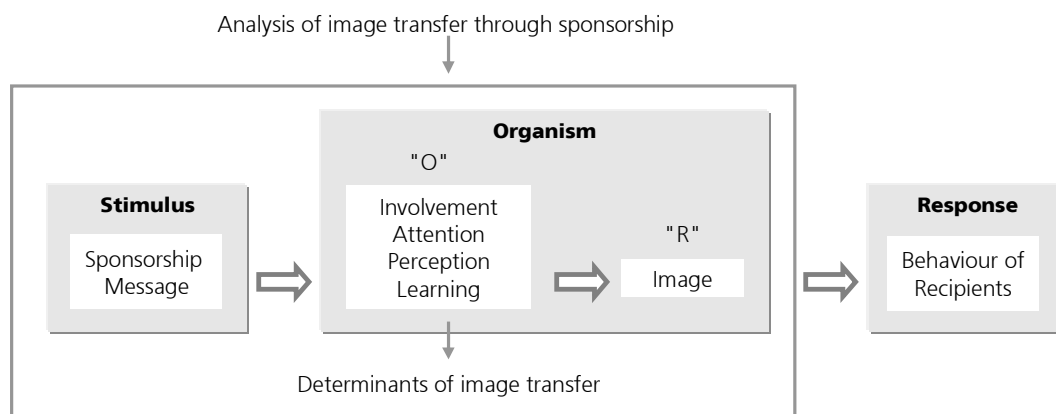


Figure 12: The S-O-R paradigm in the context of image transfer. Source: Glogger (1999), p. 101

4.1.4 Elaboration Likelihood Model (ELM)

Basic idea

The Elaboration Likelihood Model was originally developed by Petty et al (1983) to investigate the effect of different levels of involvement and motivational states on the persuasiveness of

¹⁷⁶ cf. Hermanns (1997), p. 112

¹⁷⁷ see e.g. Glogger (1999), p. 100 ff

advertising.¹⁷⁸ The basic question of the model is how advertising persuades, given the differences in ability and motivation to process information by mass media audiences.

The central assumption of the model is that consumers who show high-enduring involvement in a product are more likely to pay attention to a message than consumers with a low level of involvement. The ELM model distinguishes between a central and a peripheral route of persuasion.¹⁷⁹

- *The central route of persuasion* will be activated if consumers show enduring involvement in a brand or product. The attention of these individuals will be focused on the message argument (e.g. the claim for brand superiority), and they will process a higher amount of the information contained in the message. Involved consumers are more likely to experience more cognitive responses to the message. They are more likely to be persuaded by a message if they find the message arguments convincing.
- *The peripheral route of persuasion* is activated if consumers are less involved in the product or brand category. For uninvolved individuals, the advertising message will hold no intrinsic interest, and their attention may rather be attracted by how the message is presented than the message argument itself. The creativity of the message and the attraction-getting features of the message are thus more important in capturing their interest and attention. Individuals with low involvement will apply low levels of information processing and use the least cognitive effort to understand and evaluate the message. Positive feelings may be created just because of the music, color, or attractiveness of the spokesperson and not through really evaluating the product itself.

Kroeber-Riel / Weinberg (1999) expanded the ELM theory with a message component that distinguishes between factual and emotional messages. They differentiate four typical combinations of persuasion: emotional and factual messages that are communicated to high and low-involvement consumers. Kroeber-Riel / Weinberg state that factual information seldom shows an effect with low-involvement consumers, whereas emotional messages may work with both high and low-involvement recipients. The four different routes are presented in figure 13.

¹⁷⁸ The name of the model comes from the assumption that higher involvement increases the chance (likelihood) that a message will be given a certain amount of thought (elaboration). cf. Petty (1983), in Coppetti (2004), p. 56

¹⁷⁹ cf. Foxall and Goldsmith (1994), p. 82

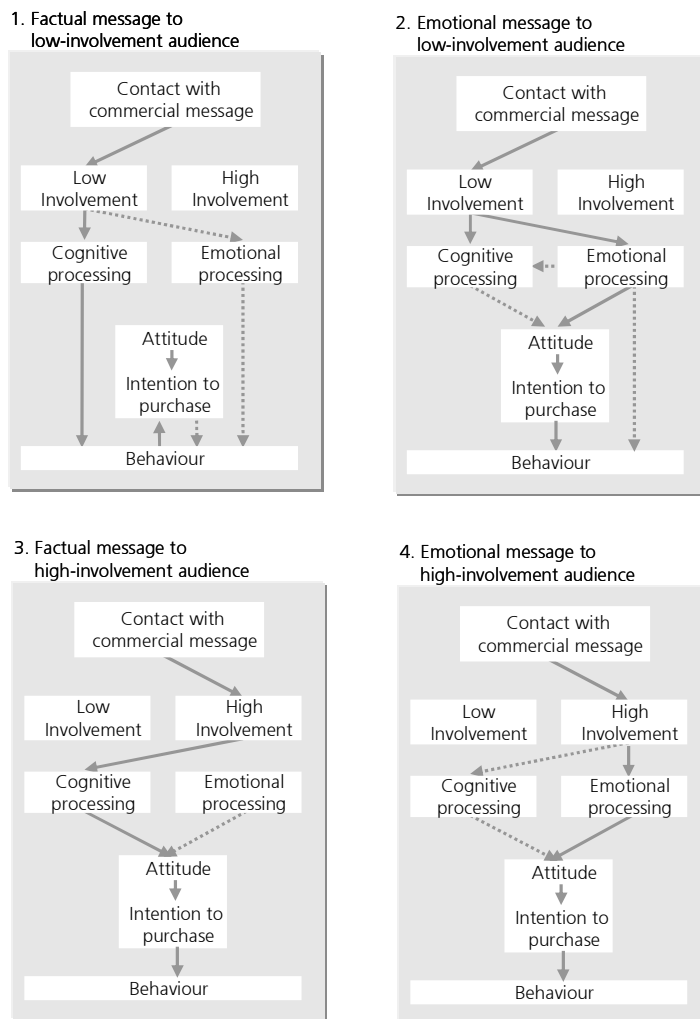


Figure 13: Persuasion routes of factual and emotional messages with high- and low-involvement consumers. Source: Kroeber-Riel / Weinberg (1999), p. 596, Coppetti (2004), p. 56

Relevance of the ELM theory for sponsorship

The ELM explains some of the complexity within the topic of persuasion by combining characteristics of the audience with those of the message (argument vs. presentation). It originally aimed to provide an understanding of how the involvement levels of the target group can guide the development of persuasive advertising. In the sponsorship area, the idea of distinguishing between different levels of involvement was transferred to the topic of image transfer.¹⁸⁰ The persuasion path in sponsorship could thus be seen as following: A neutral stimulus (e.g. a brand) will be connected repeatedly to an emotional stimulus (e.g. cultural or sports events) until recipients associate event

¹⁸⁰ cf. Hermanns (1997), p. 144

characteristics of the emotional stimulus (event) to the sponsor. The transfer of image attributes to the brand can be explained with classical conditioning theory.¹⁸¹

4.2. Determinants of sponsorship effects

Although models of mental information processing may give some basic understanding of how the process of image transfer through sponsorship can theoretically be explained, they can't explain why the impact differs according to the respondent, to the event or to the sponsor. Researchers found that other factors must be taken into consideration to draw a more precise picture of the extent of sponsorship effects. Goodwill in sponsorship, image congruence between sponsor and sponsee and an individual's personal involvement with the sponsored subject have been identified as being among the main determinants for sponsorship effects.

4.2.1 Goodwill in sponsorship

One of the most important drivers of consumer response to sponsorship is the goodwill phenomenon.¹⁸² This may be the issue that ultimately differentiates sponsorship from advertising, and it may be the major trigger that influences sponsorship effects.

In the sponsorship literature to date, one running theme has been that sponsorship works differently than advertising.¹⁸³ Focus group research conducted by Meenaghan (2001) observed that there seems to be a differential effect in response to sponsorship or advertising. Commercial sponsorship is seen as involving some kind of benefit to society; and it is seen as subtle and indirect, involving a disguised intent to persuade, which lowers consumer defense mechanisms. Advertising on the other hand, is perceived as selfish and in the interest of the advertiser only, not involving any obvious benefit to society. Advertising is seen as coercive and therefore leads to an alerted state of the consumer's defense mechanisms.¹⁸⁴

¹⁸¹ cf. Steiner-Kogrina (2004), p. 27; Hermanns (1997), p. 113

¹⁸² cf. Meenaghan (2001), p. 100

¹⁸³ cf. Meenaghan (2001), Stipp (1998), Mc Donald (1991)

¹⁸⁴ cf. Meenaghan (2001b), p. 198

Comparative Factors	Sponsorship	Advertising
Goodwill	Beneficial	Selfish
Focus	Indirect / Subtle	Direct / Forceful
Intent to Persuade	Disguised	Overt
Defense Mechanism	Low State of Alertness	High State of Alertness

Table 5: Sponsorship and advertising – alternative communications compared. Source: Meenaghan (2001), p. 101

Given the effect that individuals perceive advertising differently from sponsorship, it must be assumed that the receptivity to these two forms of marketing communication vary. Consumers seem to "receive sponsorship communications in a halo of goodwill, which is generated by factors such as the perception of benefit, the subtlety of the message, and the disguised commercial intent of the communication."¹⁸⁵

According to Meenaghan, the goodwill factor exists at three different levels of aggregation: at a generic level (as an activity per se), at the category level (e.g. sports, arts, etc) and on the individual level (e.g. an orchestra or sailing team). The intensity of goodwill varies depending on the level of aggregation.

- At the *generic level*, sponsorship is seen as giving something back to society, creating a warmer relationship than advertising, which is more focused on transaction. The goodwill effect on the generic level is more abstract and less deeply felt than at other levels of aggregation. Goodwill at this level is usually expressed simply in terms of sponsorship being a 'good idea'.¹⁸⁶ However, at this generic level sponsorship does not yet engage with the individual consumer in a deep and meaningful way.
- At a *category level*, it can be seen that different categories of sponsorship (e.g. sports, music, art) merit varying degrees of goodwill. As an example, sponsorship of social causes encourages more goodwill towards the sponsor than the sponsorship of mass arts. At this level, the effect on goodwill is more intensely felt than at the generic level, depending on the consumer's disposition towards a particular category.
- At the *individual activity level*, the perception of benefit and goodwill are likely to be higher if a consumer is involved with the activity. At this level, goodwill effects are most apparent and driven by the intensity of consumer involvement. "A football fan may consider that

¹⁸⁵ Meenaghan (2001), p. 101

¹⁸⁶ Furthermore, a general image impact on sponsors can be observed on the generic level, with consumers associating sponsors with certain image attributes such as internationality and stability. Mc Donald (1991) observed that large-scale sponsorship automatically convey the prestige values of a company, such as size, financial muscle and international status. Cf. Mc Donald (1991), p. 36. See further results to this topic in section 9.3.

sponsorship, generically, is a good thing for society and may have a positive attitude toward a sports sponsor at the category level, but the fan's response to the sponsor of the team with which he is intimately involved will be more deeply felt, obviously generating greater levels of goodwill and gratitude toward that sponsor." ¹⁸⁷

4.2.2 Image congruence

One of the most important theoretical concepts related to the processing of sponsorship stimuli is the idea of 'match' or 'congruence' between a sponsor and a sponsee.¹⁸⁸ The idea of image congruence connects to the schema theory discussed earlier in this chapter.

Despite the obvious importance of this issue, research in this area has not received great conceptual attention from marketing scholars so far.¹⁸⁹ Image congruence research mainly emerged from celebrity endorsement advertising research, where a number of different approaches and studies have been conducted. The central tenet of this research stream is that advertising response is influenced by a perceived match between an endorser's image attributes and brand image attributes, as well as the function of a product. Key findings in this area are that attitude towards the advertisement, brand attitude and purchase intentions have all been found to be significantly related to the perceived fit of an endorser's attributes with those of the brand. In addition to the matching effects, involvement and gender have also been shown to have a significant influence in some studies about celebrity endorsement.¹⁹⁰ Some spokesperson-brand congruence studies have investigated the effect of manipulating some physical attribute of the spokesman to the perceived congruence with a given product. For example it was found that physically attractive celebrity endorsers of a beauty-enhancing product have a more positive influence on consumer's brand attributes and purchase intention. It was examined if manipulating the muscularity of the spokesperson had some effect on the perception of muscularity-producing products (e.g. exercise equipment) or products perceived to be masculine in nature (e.g. car batteries).¹⁹¹

The match-up hypothesis is based on the assumption that consumers have memory-based expectations of attributes embodied by events or activities, brands and products which thus influence reactions to sponsorship advertising.¹⁹² The central factor in determining the perception of

¹⁸⁷ Meenaghan (2001), p. 102

¹⁸⁸ cf. Cornwell / Weeks / Roy (2005), p. 27

¹⁸⁹ cf. Mc. Daniel (1999), p. 167

¹⁹⁰ cf. Mc. Daniel (1999), p. 168

¹⁹¹ cf. Gwinner / Eaten (1999), p. 48

¹⁹² However, this approach neglects the possibility that consumers may develop their own theories about the purpose of marketing communications. This intuitive knowledge represents an advertising schema and can influence selective attention and response to advertising. Cf. Mc Daniel 1999, p. 168

congruence is the extent to which consumers perceive a logical connection between the sponsor and the sponsored activity.

There are two conceptualizations of congruence theory. The first approach is that people rather remember information that is congruent with prior experience. A competing theory is that incongruent information results in greater recall because it requires more elaborate processing. According to the latter, the sponsorship of a cultural event by a sports company may be remembered because of its lack of congruence. However, while the memory effects of matching have been supported empirically, the effects of incongruence have not been investigated further.¹⁹³

The extent of image congruence may depend on the level of aggregation. There are two different levels of image that should be distinguished:

- At the *sponsorship category level*, it must be considered that very different images are evoked with each sponsored area.¹⁹⁴ Even within the same area, the image of individual categories may differ strongly in consumer perception. As an example, research has shown that highbrow arts (e.g. ballet or classical music) evoke very different image values from mass arts.¹⁹⁵
- Image at the *sponsored-activity level* are most relevant to assess the level of image congruity with sponsors. Within a given event type, a number of characteristics will be different from event to event that influence consumers' perception of the event's overall image: event size, event venue, history and tradition, promotional appearance, professional status of participants, etc.¹⁹⁶ It has been observed that each sponsored activity has its own distinct personality: "An individual sponsored activity is [...] possessed of a personality and there is a rub-off or halo effect to corporate or product image from association".¹⁹⁷ Thus, when a company is sponsoring two different events at the same time, two sets of very different image values may be transferred through these individual relationships.

Another item raised in the congruence discussion is the question of on what basis similarity or dissimilarity might be assessed. McDonald (1991) for example discussed the importance of product relevance to the sponsored event as a basis for assessing similarity. He suggests that a sponsor might be relevant in a direct or indirect way. The direct method occurs when the sponsor's products are used (or might be used) in the event, whereas indirect relevance can be achieved if some aspect

¹⁹³ cf. Cornwell / Weeks / Roy (2005), p. 27

¹⁹⁴ cf. Gwinner (1997), p. 148

¹⁹⁵ High-brow arts is associated with image values of sophisticated, discriminating, elite, up-market, serious and pretentious, whereas mass arts suggests images of young, accessible, friendly, current, innovative and commercial. Cf. Meenaghan (2001), p. 103

¹⁹⁶ cf. Gwinner (1997), p. 150

¹⁹⁷ Meenaghan (1983), cited in Meenaghan (2001), p. 104

of the sponsor's image corresponds with the event.¹⁹⁸ In this respect, Gwinner used the terms 'functional-based' and 'image-based similarity' to refer to the potential congruence between events and sponsors. He suggested that functional-based similarity occurs when the sponsored brand is actually used during the event (e.g. Gatorade sponsoring the Iron Man Triathlon), whereas image-based similarity occurs when the image of the event is related to the image of the brand (e.g. Cadillac sponsoring the Master's Golf Tournament may fit in terms of their prestige image).¹⁹⁹

While establishing functional links between events and products is common for sponsors from the consumer goods industry, it is much more difficult to create apparent links for services companies that do not offer any tangible products. For example, financial services firms or insurance companies face the problem that in most cases there is no direct or functional link to the areas and events they sponsor. In this case, the relational context and meaning between sponsor and event is more important, and more attention must be paid to the way in which the sponsorship is communicated and what messages are used. Research in this topic area shows that communicating a link makes sense from an advertising perspective, but articulation may also be developed within the basic sponsorship relationship.²⁰⁰ Particularly under conditions of an incongruent relationship between sponsor and an event, the articulation and communication of the reasons for the sponsorship is crucial and, if done appropriately, may result in improved recall for the relationship.²⁰¹ Leveraging the link of a sponsorship relationship might work to improve consumer memory, while at the same time it serves as a signal to consumers of the value of the sponsorship to the firm. Therefore, sponsorship leverage and articulation is a valuable management tool for companies that offer products or services that do not have logically sanctioned links to sports, arts or charity events.

4.2.3 Fan involvement

A further central tenet in the understanding and explanation of sponsorship effects is the concept of fan involvement. Sponsorship is inevitably concerned with activities or events where consumers are highly involved, and involvement has been identified as an important variable in modeling consumer advertising response.²⁰² The existence of emotional involvement sets sponsorship apart from most other promotional and communications activities. The concept of fan involvement has mostly been a subject of sociological and sports management literature, but it has recently also been examined from a marketing and sponsorship context.

¹⁹⁸ cf. McDonald (1991), p. 34

¹⁹⁹ cf. Gwinner / Eaton (1999), p. 49

²⁰⁰ cf. Cornwell / Weeks / Roy (2005), p. 27

²⁰¹ These results correspond to recent psychological research that showed that incidental learning of the pairing of two unrelated nouns is better when the nouns are linked in a meaningful sentence than when presented in isolation. Cf. Cornwell / Weeks / Roy (2005) p. 27

²⁰² cf. Mc Daniel (1999), p. 172

Fan involvement can be defined as "the extent to which consumers identify with, and are motivated by, their engagement and affiliation with particular leisure activities".²⁰³ It provides a powerful explanation of the social behavior as observed in the responses to certain famous individuals (as for example rock music stars) and the fanatical loyalty of sports fans to their beloved teams.²⁰⁴

The idea of fan involvement can help to explain why consumers show completely different reactions to individual sponsorships as compared to advertising. Sponsorship intervenes in an emotional relationship between consumers and their leisure activities, and sponsors may establish a stable and rewarding relationship with the followers of a particular activity. "In a sponsor/sponsored-activity relationship there is positive emotional orientation toward the sponsor who bestows benefit on the consumer's favored activity. This is mediated by the intensity of fan involvement and in turn forms the basis of consumer reaction of the sponsor".²⁰⁵ Since the sponsor gives benefit to an activity where a fan is highly involved, the fan will reward this with a higher level of goodwill towards the sponsor. The triangular relationship between fan, activity and sponsor is shown in figure 14:

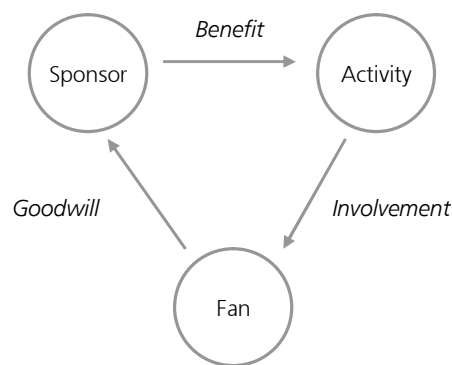


Figure 14: Goodwill effects and fan involvement. Source: Meenaghan (2001), p. 105

Involvement segmentation of sponsorship audience

Segmenting the audience according to their level of involvement in the activity has received only limited attention in the sponsorship context so far. Segmenting audiences on a volume consumption basis (e.g. light or heavy users of individual sports) represents an easy and convenient way to identify and address activity followers in a sponsorship context. However, such volume-based segmentations may fail to identify the deeper emotional level of real fan involvement. Research in this area used dimensional measures such as 'care' and 'importance', which may not capture the real essence of fan involvement. According to Meenaghan, more thorough constructs

²⁰³ Meenaghan (2001), p. 105

²⁰⁴ Lardinoit / Derbaix called this concept 'enduring involvement'. cf. Lardinoit / Derbaix (2001), p. 170

²⁰⁵ Meenaghan (2001), p. 106

should be developed to capture the intense passion and loyalty, and often the lifelong relationship that fans have with their beloved teams and players.

Although fan involvement is a useful construct to understand the effects of sponsorship on consumers, it must be taken into consideration that the activity audience is not itself homogeneous in terms of the degree of involvement or interest. Loyalty among fans of a soccer team can vary from very highly committed individuals to those only marginally involved. This basic segmentation principle is shown in figure 15:

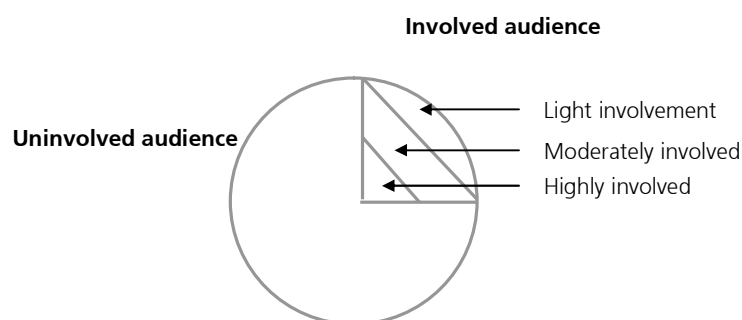


Figure 15: Segmenting the sponsorship audience. Source: Meenaghan (2001), p. 108

The concept of contingent goodwill

The relationship of sponsor and sponsored activity should normally involve more than just commercial concerns and show a certain level of care for the activity. Consumers are in general quite literate about sponsorship, and they know that there must be some kind of return to the sponsors for the investment. On the other hand, consumers are also very sensitive to the potential of over-commercialization and abusive sponsorship. This sensitivity is highest among committed activity fans: They applaud positive sponsor actions and reward it with a certain gratitude and affinity to the sponsor, but they may also react with hostility to excessive exploitation or aggressive sponsorship publicity. Those with little involvement or interest in the activity do not register exploitation of sponsors to the same degree, and therefore they will feel relatively little goodwill or hostility to the sponsor.²⁰⁶

Due to the possible negative reactions of fans towards sponsors, the management of goodwill has been identified as a sponsorship issue in itself. The goodwill effects of sponsorship can only be maximized if companies attempt to be seen as 'good' sponsors that really bring some kind of benefit to the activity. Although there is usually a legal contract between sponsor and sponsored activity which defines the formal intensity of publicity, there is also an 'unspoken social contract'

²⁰⁶ cf. Meenaghan (2001), p. 108

between sponsor and the followers of the activity.²⁰⁷ This unspoken contract commits sponsors to behave within unspoken, but real, boundaries of behavior, and it should be considered as a strategically crucial issue to consider when engaging in sponsorship. Actions that are seen as beneficial for the activity will be rewarded with goodwill, whereas overstepping the boundaries with excessive promotion will be punished with negative attitudes towards the sponsor, thus defeating the sponsor's original motivation. Fans' goodwill can not be bought, but must be earned. The unspoken understanding between fans of an activity and sponsors is highly fragile, and reactions of activity followers depend on how strongly the sponsors respect the integrity of the activity. Understanding these unwritten rules regarding trespass is therefore central to the management and understanding of sponsorship effects.²⁰⁸

4.3. Sponsorship effects models

The above sections have illustrated certain approaches to convey a basic understanding of how sponsorship works in consumer's minds and what the most important mediating factors that determine the intensity of sponsorship effects are. Despite the range of different approaches, there is still a lack of understanding of how mental information processes interact with other internal and external factors. Meenaghan, after having conducted different studies about the topic of sponsorship effects and after reviewing the most important academic literature, comes to the conclusion that the level of understanding of consumer response to sponsorship is "grossly inadequate" considering sponsorship's importance today and is "in stark contrast" to the understanding of responses to conventional advertising. "What is needed now is to define and to address a research agenda for sponsorship that will advance understanding of its processes and effects and set the terms of reference for future studies".²⁰⁹

This section will display a selection of approaches that integrate mental information processing approaches with a variety of internal and external variables and factors in order to build more exhaustive models of sponsorship effects.²¹⁰ It must be considered that these models are of a hypothetical nature and have not been measured empirically. The aim of these models is to reduce the complexity that appears when looking at various interdependent factors between sponsors,

²⁰⁷ cf. Meenaghan (2001), p. 108

²⁰⁸ cf. Meenaghan (2001), p. 109

²⁰⁹ Meenaghan (2001), p. 98

²¹⁰ There is a range of other approaches that are not further discussed in this thesis. These include, among others, the image transfer models of Glogger (1999), Walliser (1995), and Hermanns (1997). These approaches are cited frequently in the German speaking literature. However, as they are only read in German-speaking regions, they have not had much international relevance so far. Section 4.3 only concentrates on models cited in international publications.

sponsored activities and consumers. Each of the models has its own derivation and is based on different tenets of understanding.

4.3.1 Image Transfer

Image transfer has been one of the most frequently investigated topics in sponsorship effects literature. Although there is a range of theoretical approaches, empirical studies in this topic are still very rare.²¹¹

Gwinner (1997): image creation and transfer in event sponsorship

Gwinner was among the first authors who approached the topic of image transfer in sponsorship from a theoretical level by taking into consideration mental processes as well as moderating factors between event and brand image. His approach can be seen as a conceptual framework that offers a variety of research propositions and guidance for future empirical inquiry.

The model is based on the work done by Mc Cracken (1989) who had investigated the image transfer process with celebrity endorsements. Gwinner's assumption is that the transfer of associations in sponsorship is consistent with the transfer process observed with celebrity endorsers. Several factors may moderate the strength of the image transfer, as shown in figure 16:

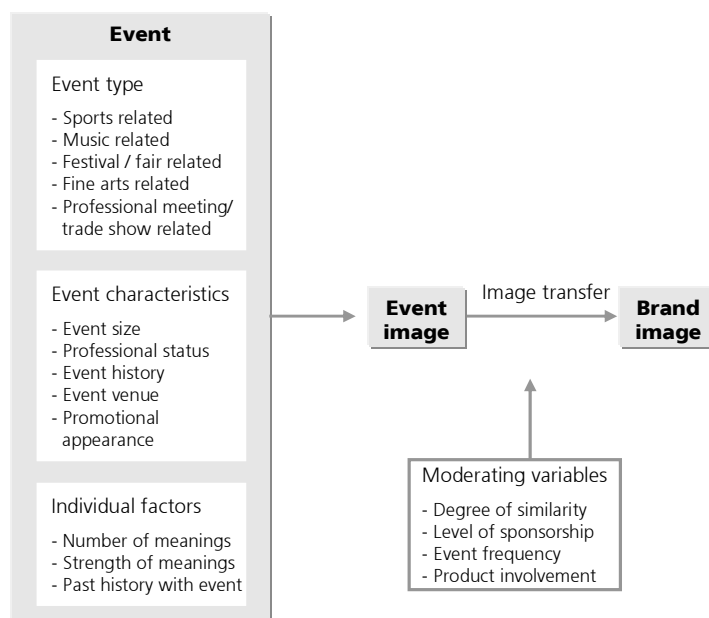


Figure 16: A model of image creation and image transfer in event sponsorship. Source: Gwinner (1997), p. 148

²¹¹ cf. section 5.2

- *Event type* refers to the categorization of sponsorship events into at least five types (sports related, music related, festival/fair related, fine arts related, professional meeting/trade show related). The event type impacts the event image in various ways. It evokes image associations in the minds of the consumers, thereby activating positive or negative predispositions. Such attitudes and predispositions are generally based on past experiences with the event type and serve to frame the image of a particular event. However, event attitude is continuously changing, since it can be changed by new experiences or indirect exposures.
- *Event characteristics* are described as these aspects that are likely to vary from event to event in a given event type category and which will have an effect on the event image. The main event characteristics proposed by Gwinner are: event size (e.g. regional, national, international), professional status (e.g. professional or amateur), event history (e.g. long running vs. newly introduced), event venue (e.g. temperature, convenience, physical condition) and promotional appearance (e.g. sponsors seen as advertisers or benefactors).
- *Individual factors* are seen as those attitude factors that are unique for each participant. The past history of an individual with a given event, for example, will have a significant impact on the individual's image perception. Participants with long-term participation in the past will have a more consistent, but less rich event image. The event image will be more consistent if an individual has a single, strong image association, whereas a person who associates the event with a large number of images will have difficulties in building a consistent image.

The main proposition of Gwinner is that an event's image will be associated with the sponsoring brand's image.²¹² The characteristics and intensity of the image transfer will differ from event to event and depends on various moderating factors. The following factors can be identified as major drivers of image transfer: degree of similarity, level of sponsorship,²¹³ event frequency²¹⁴ and product involvement. The first three directly relate the event image to the brand image, whereas product involvement is seen as moderator between event image and general brand attitudes. To explain the impact of product involvement on image transfer, Gwinner refers to the Elaboration Likelihood Model (ELM) that distinguishes between a central and a peripheral route of persuasion.²¹⁵ Theorizing from the ELM, it can be concluded that event image will be a strong force in determining the brand attitude if the sponsoring brand is a low-involvement product, whereas for high-

²¹² cf. Gwinner (1997), p. 148

²¹³ There may be from one to dozens of sponsors. In general the higher the clutter, the lower the image transfer.

²¹⁴ On-going events have the benefit that sponsors can establish the link between their brand and the event over a longer time period due to repeated exposures. However, one-time events may be so unique that they attract a great deal of media attention. Cf. Gwinner (1997), p. 153

²¹⁵ cf. section 4.1

involvement products the promotional benefit in terms of attitude change may be small, because persuasion processes from sponsorship take place along a peripheral route.

Garreth Smith (2004): Brand Image Transfer from a consumer learning perspective

Smith aims to identify the major internal and external influences on Brand Image Transfer (BIT) and then explain theoretically how the transfer takes place in the consumer's minds. Smith distinguishes between three different levels: antecedent factors, the brand image transfer process itself and the brand image transfer outcome.

Antecedent factors are factors that influence consumer perceptions of sponsorship. They can be divided into two groups, external and internal variables. External variables refer to the circumstances of the sponsorship arrangement, and internal factors to the mental predisposition of consumers towards a brand and an event.

- Four *external antecedent factors* can be identified: The sponsorship domain, composition, status and duration. The domain of sponsorship mainly covers sports, the arts, charities and the media. There is some evidence that charitable sponsorships are seen as more altruistic than sports and media sponsorships and therefore produce a higher level of goodwill. The composition of sponsorships refers to the number of sponsors that are involved. The more complex sponsorship arrangements, the higher the level of confusion among consumers and the lower the potential for image transfer.²¹⁶ Event status refers to the range of sponsorships from local community-based events to big global events. High quality image events have a substantial effect on the image of the sponsors. Duration refers to the time period of a sponsorship relationship: the longer the duration, the greater the potential impact.
- Brand knowledge and brand image are seen as the main *internal antecedent factors*. The amount of knowledge held by consumers about the sponsor and the sponsored activity will have an effect on how the external factors (see above) are understood and stored in memory. The assumption is that associations cannot transfer if they are not known in the first place, therefore knowledge must be seen as a starting point to explain image transfer. The extent of image transfer further depends on the brand image already held in memory. Generally it can be assumed that the more powerful the sponsored brand's image in terms of strength, favorability and uniqueness, the higher the potential for image transfer.

²¹⁶ Of the twenty companies most recognized as sponsors of the Winter Olympics in 1998, eleven were not sponsors in reality. cf. Johar and Pham (1999)

The *brand image transfer* process can be divided into different sub-processes. The process itself mostly refers to information processing approaches that have been discussed above, such as the match-up hypothesis or Associative Network Theory.

- Fit and quality can be identified as major influences on how consumers assess the linking between the sponsor's and the sponsee's brand. A strong brand is not sufficient to guarantee a positive brand image transfer: There needs to be some kind of logical link to the activity.²¹⁷ However, if there is no obvious link between sponsor and property (which is often the case with services firms), there may be an indirect link using an attribute such as quality as a facilitator.
- Fit and quality are assessed on two different aggregation levels, first on the category level and then on the individual brand level. A good example for category-level fit would be a sport shoes company sponsoring tennis. An example for brand-level fit would be Nike sponsoring the Wimbledon Tournament.

As an outcome, all the factors mentioned above will result in a modified brand image in the consumers' memory. The overall place by which brand image transfer takes place is summarized in figure 17:

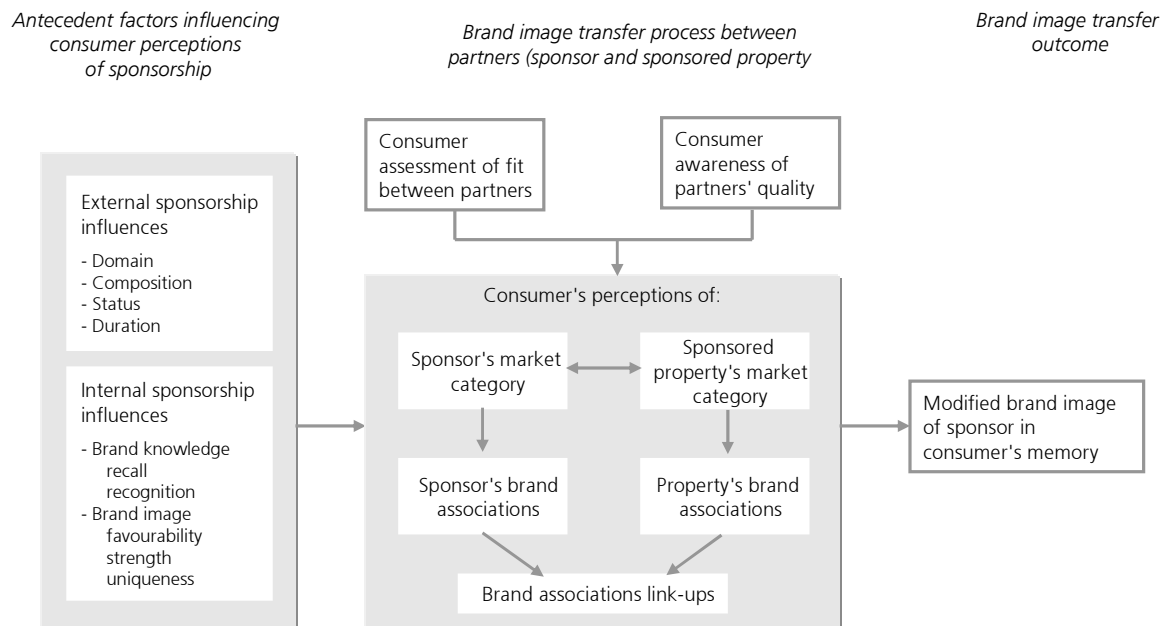


Figure 17: A framework of brand image transfer through sponsorship. Source: Smith (2004), p. 461

²¹⁷ e.g. a globally strong brand such as Coca-Cola sponsoring an art museum may not be appropriate or relevant and will probably not result in any brand image transfer.

4.3.2 Comprehensive Sponsorship Effects Models

While various scholars have attempted to theoretically explain image transfer in sponsorship, there are only very few approaches that go beyond the area of image transfer and look at the impact of sponsorship on a broader range of brand equity related variables. Although image transfer has been identified as one of the most popular sponsorship objectives, there is a range of other brand-related aspects that are at least equally important for sponsors.²¹⁸ Literature in this area has been very limited so far, but due to the importance of this topic area new approaches are expected to emerge in the near future. Two often-cited approaches will be discussed below: the approach of Meenaghan (2004) and that of Cornwell / Weeks / Roy (2005).

Meenaghan (2004)

Meenaghan was the first who drew up a comprehensive model that includes various internal and external variables and does not focus on image transfer. Meenaghan bases his model on different sources of understanding: existing literature, his own research, long-term involvement in desk research, sponsorship industry data, action learning and expertise from consultancy as well as in-depth results from focus groups. Another major source of input are the theoretical principles of marketing communication and advertising. However, the aim of the model is to show that, although some principles may be similar, the effects of sponsorship differ fundamentally from the effects of advertising and other forms of promotion. Meenaghan's model is based on several different basic tenets of understanding which are unique to sponsorship:

- *Involvement or fan involvement* plays the role of a basic filter. Although consumers are influenced by both the generic and category effects of sponsorship, the response to sponsorship is mainly driven by the consumer's degree of involvement with the actual sponsored activity. A high level of knowledge about the activity, deriving from high involvement, enables the consumer to recognize sponsors and to judge the congruence of the relationship, thereby achieving the sponsor's primary marketing objectives (create awareness, build image).
- *Goodwill* is seen as a consequence of the perception of the sponsor's behavior towards the sponsored activity and the intensity of fan involvement with that activity. It provides the trigger for the consumer's emotional response and results in favorability, brand preference and in some cases even purchase action.

²¹⁸ Such variables are e.g. creating awareness / visibility, improve brand credibility and increase brand loyalty (cf. section 2.3).

- *Image transfer* is a function of the image values of the activity (e.g. team or sport) and the sponsor. The extent of image transfer further depends on the emotional involvement and the extent of contingent goodwill that is ascribed to the sponsor.

Figure 18 shows the basic principles of Meenaghan's model:

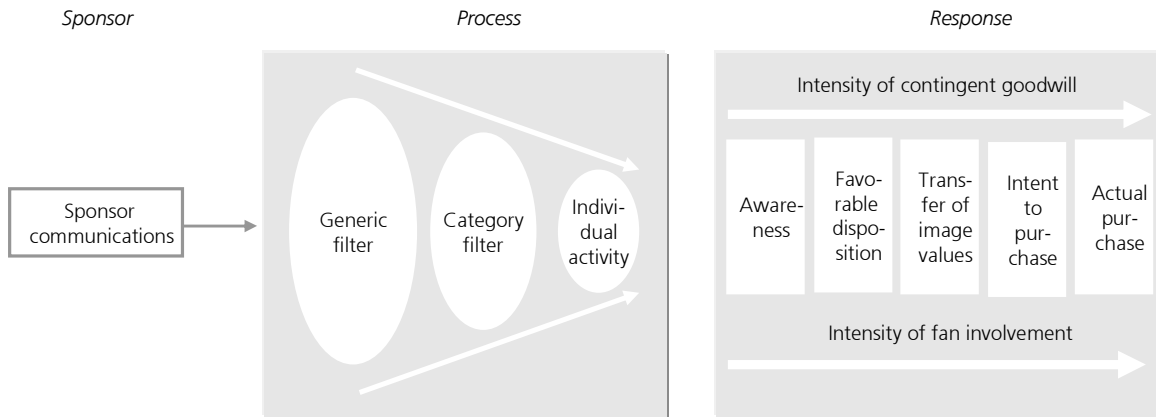


Figure 18: Modeling the sponsorship effects process. Source: Meenaghan (2001), p. 115

Cornwell / Weeks / Roy (2005)

Cornwell, Weeks and Roy refer to the broader area of sponsorship-linked marketing. They provide a model of consumer-focused sponsorship communication that brings together current theoretical understanding and empirical insights. The aim of their model is to give an overview of the major factors and aspects that should be taken into consideration when trying to understand how sponsorship-related marketing communication affects consumer response. There are five major factors in this model: 1. individual and group factors that influence the processing of sponsorship messages and responses; 2. market factors that are uncontrollable but may have an effect on sponsorship outcomes; 3. controllable management factors that affect both the processing and outcomes; 4. the consumer's processing mechanics; and 5. consumer-focused outcomes. The first three factors are considered as external factors that affect internal processing mechanisms. As a second step, the internal processing mechanism leads to sponsorship outcomes, such as awareness, liking, purchase intent etc.

- *Market and situational factors*: These factors consist of variables that are not controllable by the sponsorship arrangement, but still have a high impact on sponsorship outcomes, such as a sponsor's brand equity, the number of sponsors involved and competitor activities. For

example, sponsors with high brand equity are likely to have more of an effect on brand awareness and image than low equity sponsors.²¹⁹ It is also assumed that the more clutter there is on the marketplace and the more competitors or ambush marketers are involved in the sponsorship area, the smaller the effect on consumers.

- *Management factors*: The effects of sponsorship on awareness and image are largely dependent on how sponsors leverage and communicate their investments. It has been observed that the impact of sponsorships on consumer response (e.g. awareness) is rather dependent on the on-site activation than on a sponsor's status or the amount of investment.²²⁰ In many respects, the return of sponsorship strongly depends on how the sponsorship is managed. Two management factors are known to play a role in the outcome of sponsorships: sponsorship policy (e.g. strategy setting, sponsorship portfolio), and activation / leverage (defined as all collateral marketing communication of a brand's relationship with a sponsored object).
- *Individual and group factors*: Four individual factors are identified that typically influence the information processing of sponsorships: arousal, prior experience, knowledge, and involvement.²²¹ Arousal is considered to be a variable that determines the extent to which consumers process a brand-event linkage. When a person experiences increased arousal, the attention to and processing of information related to the stimulus will increase, which in turn will result in the greater acquisition and storage of information. A person's prior experience with a brand or an event can trigger cognitive and affective responses that may have an impact on the processing of sponsorship messages, e.g. high levels of familiarity with a product have been observed to result in more positive consumer reactions. Consumer knowledge refers to a person's knowledge of the event being sponsored as well as the sponsors involved. Consumers with higher levels of knowledge about the sponsoring brand or the product category (or both) will have the ability to make more profound judgments of the sponsor-event congruence.²²² A higher involvement also may influence the information processing and the congruence perceived by the consumer between a sponsor and event.
- *'Processing Mechanics'*: The way how sponsorship-related stimuli are processed can be explained by a number of different approaches. According to the authors, the following concepts may all play a significant role: mere exposure, low-level processing, reactivation,

²¹⁹ This phenomenon has been termed 'prominence bias' by Johar and Pham (1999).

²²⁰ cf. Coppetti (2004), p. 82

²²¹ This list is not exhaustive and is used to illustrate the role of various external factors in the processing of sponsorship stimuli. There may be other individual or group factors which are not treated by the authors, but which play a significant role within this process.

²²² cf. Roy / Cornwell (2004)

matching/congruence, articulation, balance/meaning transfer and identification.²²³ In the main, these theories do not compete against each other, they should rather be understood as complementary concepts that can help one to understand and manage the mechanics of how sponsorship messages are elaborated.

- *Outcomes:* The authors distinguish between outcomes on the cognitive, affective and behavioral level. The focus of cognitive outcomes is on awareness, which can be measured by aided or unaided recall of sponsors after an event. Affective measures include liking, preference, attitudes or favorability towards a sponsoring brand. Behavioral outcomes comprise conative measures such as purchase or purchase intent.

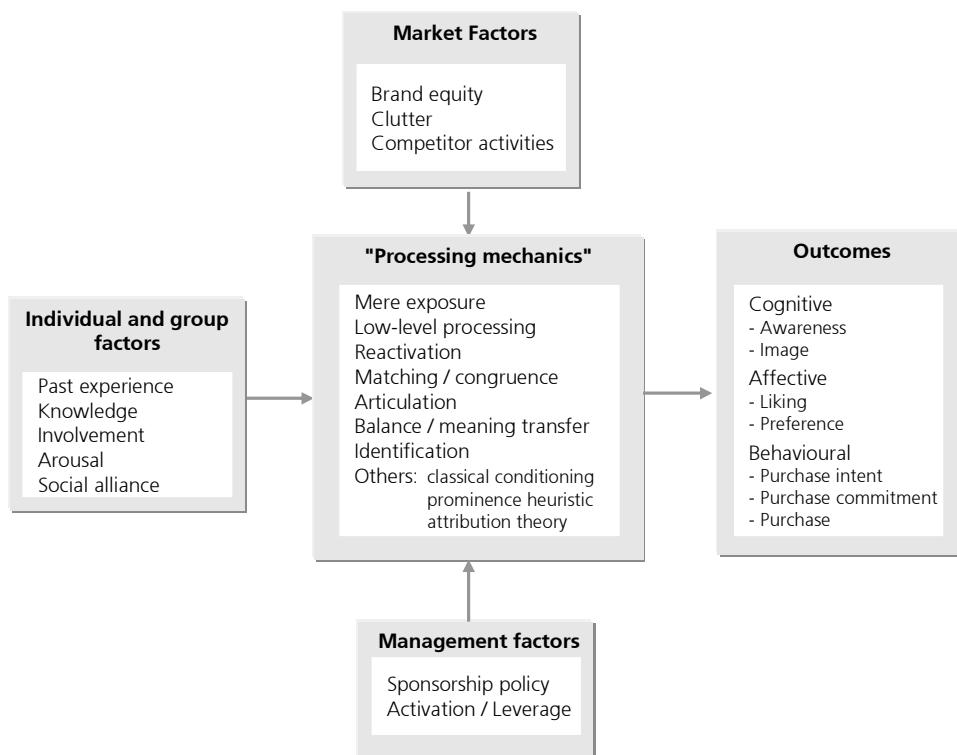


Figure 19: Model of consumer-focused sponsorship-linked marketing communications. Source: Cornwell / Weeks / Roy (2005), p. 26

²²³ Since some of the approaches were explained earlier in this chapter, they are not presented in detail at this point. For further details on these different approaches see Cornwell / Weeks / Roy (2005), p. 22-28.

4.4. Summary

Chapter 4 looked at different ways that sponsorship effects on a consumer's brand perception can theoretically be explained. Various approaches were found that show some explanative power. However, none of them has prevailed so far, and neither has any of them received any significant attention in the academic literature. Overall it must be concluded that still very little is known about what goes on in a consumer's mind when being exposed to sponsorship stimuli.

The few approaches that have emerged can be summarized as following:

- Schema theory has been a major source of inspiration to explain sponsorship effects. Schema theory states that the greater the match-up between the schemas of sponsor and sponsored event are, the more likely an image transfer will happen. A similar concept often referred to is the concept of image congruence between sponsor and sponsee.
- The Associative Network model has also been referred to in order to explain image transfer. The model makes the assumption that sponsors will be associated with attributes that were originally linked to the sponsored object only, thereby generating a transfer of attributes.
- The Elaboration Likelihood Model (ELM) has shown some relevance in the context of sponsorship. The model takes the assumption that a central and a peripheral route of persuasion are activated, depending on a consumer's involvement.
- Sponsorship may generate goodwill at different levels: a general, a category and an activity level. The creation of goodwill is unique for sponsorship and differentiates sponsorship from other forms of communication, such as advertising.
- Some authors have tried to set up comprehensive models of sponsorship effects, incorporating internal and external variables. Most of these models are focused on the area of image transfer; only few authors have tried to model effects on a broader base. Although such models may have some theoretical relevance, none of them has been validated empirically.

5. Empirical studies on sponsorship effects

After having shown theoretical approaches about how sponsorship effects can be measured and explained, chapter 5 will investigate what can be learnt from existing empirical research. Over the past few years, the growth of sponsorship has been accompanied by an increasing number of empirical studies about the topic of sponsorship effects. Some authors attempted to review past publications in order to give an overview of the state-of-the-art knowledge on various sponsorship aspects. The first exhaustive review was done in 1998 by Cornwell / Maignan, which was updated five years later by Walliser, who integrated studies from the period of 1998-2003 as well as earlier European publications which were underrepresented in former reviews. Interestingly, according to Walliser, "sponsorship may be one of very few areas which has attracted more academic interest in Europe [...] than in North America or other party of the world."²²⁴ The latest comprehensive update on sponsorship measurement studies was done by Marwitz (2006), who integrated further studies mainly from the German and French speaking literature.

Chapter 6 will review all empirical studies that give potential insights into effects of sponsorship on brand image and brand perception, aiming to provide an exhaustive overview of current empirical knowledge. Present findings of sponsorship effects will be used for modeling the potential impact of sponsorship on brand perception and will also serve as a base for hypotheses development in chapter 7.

The structure of chapter 5 is shown in figure 20:

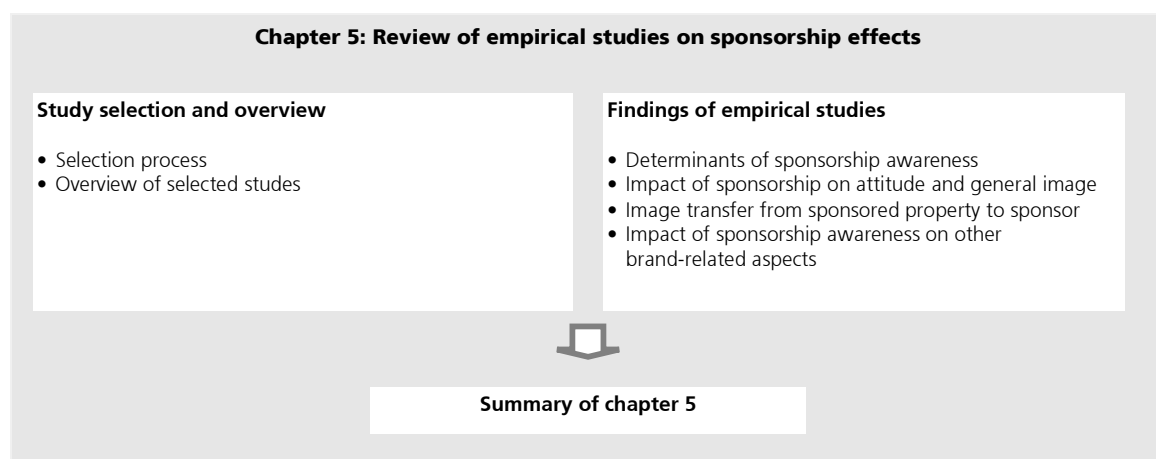


Figure 20: Structure of chapter 5

²²⁴ Walliser (2003), p. 6

5.1. Study selection and overview

5.1.1 Selection process

The overview of studies presented in this chapter is mainly based on the work of Walliser (2003), which can probably be considered as the most complete review of sponsorship research ever done. However, it must be considered that Walliser provided a much broader view of scholarly sponsorship research, including aspects that are not relevant to this thesis. In his review, Walliser divided current research into five distinct areas: 1. nature of sponsorship, 2. management aspects, 3. measurement of sponsorship effects, 4. strategic use and 5. legal and ethical issues.

This review will only display studies from topic area 3, which actually turned out to be the most popular research stream: Out of the 153 articles analyzed by Walliser, more than half were related to the measurement of sponsorship effects. The fact that five years earlier Cornwell / Maignan had found only 19 studies about sponsorship effects may already give an indication of the increasing relevance of this issue.

The studies presented below were subjected to a thorough selection process. To be included, studies had to fulfill a set of various criteria:

- Studies must include findings regarding the impact of sponsorship on a sponsor's brand equity or image. Studies about the impact of sponsorship on other aspects of the sponsor, such as share price or employee morale, have been excluded.
- They have to include some empirical data collection and statistical analysis. This may also include laboratory experiments or qualitative projects with small sample sizes. However, all papers which primarily focus on theoretical issues have been excluded.
- They need to be published in publicly available journals in the Anglo-Saxon or German-speaking academic press. Seminar proceedings or congress papers that are hardly available to non-participants have been excluded.
- They must be published after 1990. Given the fact that the growth of commercial sponsorship only started in the 90es, earlier works may lead to mistaken conclusions.

Of the 83 studies about sponsorship impact as cited in Walliser (2003), less than 50% referred directly to the research questions in this thesis. About half of them were only theoretically oriented and did not include any empirical analysis. Some of the remaining empirical works were not published in publicly-available journals or were only available in languages other than German or English. In the end, 17 studies cited in Walliser matched the criteria.

For the time period from 2002-2006, a different approach was taken. Main academic journals were checked for recent studies and ancestry research was conducted.²²⁵ Furthermore, the overview given by Marwitz (2006) provided another useful source of information. In this way, an additional 17 studies were found, which leads to an overall number of 34 empirical studies that match the criteria set described above.

5.1.2 Overview of selected studies

Table 6 gives an overview of the scope and methodological aspects of the selected studies (sorted by publishing date).

Year	Author(s)	Dependent variable	Methodology	Sample group	Sponsorship area
1994	Javalgi et al.	Attitude / generic image	Telephone survey (n=200)	General public	Sports / arts / community
1994	Rajaret-nam	Image / awareness / other	Long-term tracking study of Indian tire company	Indian car owners	Car racing
1995	Hansen / Scotwin	Sponsorship awareness / image	Experiment with different TV stimuli (4 groups, n=220)	Undergraduate students	Sports (various)
1996	Stipp / Schiavone	Image	Telephone survey (n=479)	TV-watchers of Olympic games	Olympic Games
1997	Pope / Voges	Sponsorship awareness	Pre-post face-to-face (mall intercepts, n=180)	General public	Football
1997	Meir et al	Sponsorship awareness	Face-to-face / paper questionnaire (n=614)	Event visitors / general public	Rugby
1997	Cornwell / Maignan / Irwin	Sponsorship awareness	On-site surveys in stadium and cafés (n=222)	Event visitors / event watchers	Basketball
1998	Quester / Rungie	Sponsorship awareness	Pre-post telephone survey (n=503)	General public	Car racing
1998	Quester / Farrelly	Sponsorship awareness	4 pre-post telephone surveys (n= 1000)	General public	Car racing
1999	Nicholls / Roslow	Sponsorship awareness / preference	On-site surveys at tennis and golf events (n=762)	Event visitors	Golf / tennis
1999	Hansen / Halling	Attitude / emotion	Mail survey (n=150)	Undergraduate students	Soccer / handball

²²⁵ The following journals were researched: Psychology & Marketing, Journal of Advertising Research, Journal of Advertising, International Journal of Market Research, Journal of Marketing Research, Journal of Marketing Management, International Journal of Advertising, Admap, Schmalenbach Business Review, Planung & Analyse, European Journal of Marketing, Asia-Australian Marketing Journal, International Journal of Sports Marketing & Sponsorship, Journal of Services Marketing, Journal of Product & Brand Management.

Year	Author(s)	Dependent variable	Methodology	Sample group	Sponsorship area
1999	Gwinner / Eaton	Image transfer	Experiment with photographs and sponsorship ads (n=360)	Undergraduate students	Sports (various)
1999	Johar / Pham	Sponsorship awareness	3 experiments with different stimuli (n=44, 64, 78)	No indication	Sports (various)
1999	Pope / Voges	Image / purchase intention	No indication about data collection (n=1136)	Undergraduate students	Sports (various)
1999	Mc Daniel / Mason	Image / acceptance	Pre-post telephone survey (n=578)	Adults	Olympic Games
1999	Mc Daniel / Kinney	Sponsorship awareness / image	Pre-post telephone survey (n=578)	Adults	Olympic Games
1999	Hoek / Gendall	Purchase intention	Telephone survey (n=189)	Event visitors vs. general public	Netball
2000	Pope / Voges	Purchase intention	Survey at university (n=941)	Students	Sports (various)
2001	Cornwell / Roy / Steinar	Brand equity	2-wave mail survey (n=50)	Sponsorship managers	Sports (various)
2001	Pham / Johar	Sponsorship awareness / identification	Experiment with mock press releases (4 groups, n=34)	No indication	Sports (various)
2001	Lardinoit / Quester	Attitude / generic image	Experiment with different TV stimuli (8 groups, n=240)	Young adults	Basketball
2001	Lardinoit / Derbaix	Sponsorship awareness	Experiment with different TV stimuli (8 groups, n=240)	Young adults	Basketball
2001	Quester / Thompson	Attitude / generic image	Pre-post mail survey with treatment and control groups (n=340)	Event visitors / general public	Arts
2001	Madrigal	Purchase intention	Telephone survey (n=368)	General public	Sports (various)
2003	Brown / Pope / Voges	Brand values	Experiment with different TV stimuli (4 groups, n=200)	Undergraduate students	Car racing
2003	Becker-Olsen	Attitude / generic image	Experiment with web-stimuli (n=270)	Undergraduate students	Internet
2004	Coppetti	Image / brand equity	Various (experiment, on-site intercepts)	Various	Sports / cultural

Year	Author(s)	Dependent variable	Methodology	Sample group	Sponsorship area
2004	Grohs / Wagner / Vsetecka	Sponsorship awareness / image	Pre – Post survey before and after ski race (n=132)	General public	Ski racing
2004	Roy / Cornwell	Sponsor-event congruence	Experiment with mock sponsor-event stimuli (n=97)	Undergraduate students	Sports (various)
2004	Rifon et al.	Attitude / credibility	Experiment with web-stimuli (n=191)	Undergraduate students	Health
2004	Rodgers	Awareness / attitude / purchase intention	Experiment with web stimuli (n=110)	Undergraduate students	Health / travel
2005	Masterson	Sponsor-event congruence	Exploratory qualitative study (n=39)	Young adults	TV
2005	Sneath / Finney / Grace	Attitude / generic image	Written survey (n=565)	Event visitors	Charity / health
2006	Christensen	Sponsor-event congruence	Telephone survey (n=470)	General public	Sports / cultural / charity

Table 6: Overview of empirical studies about sponsorship effects

Without having a deeper look at the results of these studies, some observations can already be made just by looking at the methodologies used and scope of the studies.

- More than half of these studies were laboratory experiments, and most of these experiments were conducted with samples of undergraduate business students. Although such samples may be cost-effective and convenient for the researchers, it may be questionable if the results of such studies can really be applied to a wider target audience outside the university.
- Nearly all studies were related to sports sponsorship. Most researchers implicitly assumed that the areas they were researching were representative for sponsorship in general. Interestingly, there is hardly any empirical knowledge about the impact of cultural sponsorship, and no study analyzed if there are systematic differences between the effects of sports and cultural sponsorships.
- Only very few studies tried to operationalize and empirically measure 'image transfer'. Although some studies included image-related aspects, these were often of a rather generic nature and were not measured in terms of a transfer of specific image attributes from the

property to the sponsor. This stands in stark contrast to the many theoretical approaches that have emerged on the issue of image transfer.

- The long-term impact of sponsorship, as measured by pre-post or longitudinal studies for instance, has not received much attention. Most studies observed consumer reactions immediately after a sponsorship stimulus (e.g. with laboratory experiments), but they did not reveal if results were just momentary reactions or if attitudinal changes remained stable over time.

5.2. Results of empirical studies

Most studies look at multiple research questions and feature a set of different hypotheses, thereby making reference to various aspects of the impact of sponsorship on brand at the same time. Instead of summarizing the results of each study individually, this review will focus on the answers that each study can give to the research questions that will be investigated in the empirical part (chapter 9). All studies were scanned for the following aspects:

- Determinants of sponsorship awareness
- Impact of sponsorship on consumer attitude or on the generic image of sponsor
- Image transfer of sponsorship property to the sponsor
- Impact of sponsorship on other brand equity related metrics (e.g. brand consideration, purchase intention)

5.2.1 Determinants of sponsorship awareness

Studies in this area tried to determine which characteristics lead individuals to remember sponsors of a given event. The issue of sponsorship awareness²²⁶ and identification has gained in importance especially due to the increasing activities of ambush marketers. An often-measured phenomenon is that companies who have not paid any sponsorship rights are incorrectly identified as sponsors of major events.²²⁷ This may be an effect of consumers guessing or confusing names of companies, or it may also be a consequence of competitors' deliberate ambush sponsorship strategies. In both cases, for sponsorship managers it is crucial to know which activities yield the optimal awareness

²²⁶ Depending on the authors, sponsorship awareness is sometimes also called recognition, recall, or identification. Although there may be some minor differences in measuring these metrics, the terms are broadly considered as synonyms: awareness = recall; unaided awareness = unaided recall; aided awareness = recognition/aided recall/identification.

²²⁷ This effect was namely measured with major sports events, such as the Olympic Games or a soccer championship.

effect in consumer's memories. The studies in this area broadly identified the following possible predictors of sponsorship awareness: consumer involvement, sponsor prominence, perceived sponsor-event fit, and sources of exposure.

Involvement

A typical hypotheses of researchers is that sponsorship awareness depends on an individual's emotional involvement in the event: The higher the personal involvement in the sponsorship area, the higher the likelihood that consumers are able to recall sponsors. Not surprisingly, nearly all hypotheses in this field were at least partly supported. In an experimental setting with four test groups that were exposed to different stimuli, Hansen / Scotwin (1995) found such a relation for one sponsor, but not for a second. Cornwell / Maignan / Irwin (1997) examined the long-term recall of collegiate basketball team sponsors and found that individuals involved in basketball were most likely to recognize sponsors. However, they also observed that respondents had troubles recalling sponsorship sources, and they tended to confuse sponsors and advertisers. Quester / Farrelly (1998) analyzed the recall of sponsors after four subsequent Formula One Grand Prix races and concluded that sponsorship awareness positively correlates with higher involvement. McDaniel / Kinney (1999) observed the role of demographics in a pre-post study and found that personal interests has an impact on post-event top-of-mind-awareness of sponsors. Lardinoit / Derbaix (2001) found a positive effect of enduring involvement on recognition scores in a laboratory experiment, where various groups were exposed to different kinds of sponsorship stimuli. Grohs / Wagner / Vsetecka (2004) used a multinomial regression model to investigate the role of interest, image fit and brand awareness on sponsorship awareness. They came to the conclusion that involvement has an impact on aided recall, but not on unaided.

Sponsor prominence

Some researchers examined how a sponsor's brand prominence affects sponsorship identification, thereby assuming that high-equity brands are more likely to be recalled as sponsors than less well-known brands. The underlying rationale for this hypothesis is that basic knowledge about a brand fosters the creation of links in the memory.

Johar / Pham (1999) supported this hypothesis in three different experimental designs. They detected that sponsor identification involves a substantial degree of construction and guessing, which is easier if a brand is already established in consumer's minds. In a later study (2001), they came to the conclusion that recognition is positively affected by a sponsor's brand prominence, but there is no effect on unaided awareness. Additionally, they found that prominent brands are often incorrectly identified as sponsors. This phenomenon was also found in Nicholls / Roslow (1999), who observed high recall rates for high-equity companies that in fact were not involved with the

event. Grohs / Wagner / Vsetecka (2004), however, in their multinomial regression model did not find any impact of familiarity with a company on its sponsorship awareness.

Relatedness / match of sponsor and event

Image match or functional relatedness has also been discussed as a potential predictor of sponsor identification. Hypotheses in this area generally state that sponsorship awareness is positively influenced if there is any semantic or functional relationship between sponsor and event.

Johar / Pham (1999) found support for this hypothesis in a laboratory experiment. However, their results also suggested that sponsorship identification involves a substantial degree of construction or guessing that is often related to prior brand prominence and relatedness to the sponsorship area. In a later experiment, Pham / Johar (2001) additionally discovered a connection between market prominence and relatedness: Prominent brands are more often misidentified as sponsors if they have a strong connection to the event (e.g. many people incorrectly associate Nike with the Olympic Games). Grohs / Wagner / Vsetecka (2004) in a field study came to the conclusion that there is a highly significant positive relation between perceived fit and sponsor recall for six observed sponsors.

Sources of exposure

Some authors explored the effect of different ways to present a sponsorship message or logo to the audience. Lardinoit / Derbaix (2001) observed in an experimental setting that field- and TV-sponsorship stimuli are equally useful in generating aided sponsor recognition, but TV sponsorship is more likely to create unaided awareness. They also observed that the length of field sponsorship exposure is not a crucial issue in generating recognition. Hansen / Scotwin (1995) explored the effect of direct or indirect exposure in combination with advertising. They found that direct sponsorship is more efficient than indirect sponsorship, and a combination of both with advertising will strengthen the awareness effect.

5.2.2 Impact of sponsorship on consumer attitude or on generic sponsor image

The impact of sponsorship on brand perception in terms of positive feelings or attitudes has raised the most attention among researchers. Of the 34 observed studies, 18 included some attitudinal measures about the image of sponsors. However, unfortunately every author took a different approach in operationalizing the terms 'attitude' or 'image', thus resulting in very low comparability among different studies. Nevertheless, some of the items that appear regularly can be grouped into larger categories. The following categories were identified as possible attitudinal outcomes of

sponsorship: liking / positive feelings, social responsibility, and stability / success / quality. Other constructs more specifically related to the brand, such as brand consideration and purchase intention, will be discussed later on.

Liking / general positive feelings

This category mostly consists of rather general statements about companies. Possible ways to measure a general attitudinal effect include: "Having visited the event, my opinion of (title sponsor) has changed for the better" ²²⁸ or "I think well of sponsors of the arts".²²⁹ Sometimes, such general attitudes are measured using a series of different attitudinal statements which are then indexed to an overall attribute score. An often referred to corporate image scale was developed by Javalgi et al (1994). Studies that include items about 'liking' generally report positive results with respect to sponsorship being able to increase overall positive feelings about the company. McDaniel / Kinney (1999) for example found that the ability to link a sponsor's brand to the event significantly impacts brand image, as observed through examples of a soft drink and a credit card sponsor of the Olympic Games. Hansen / Halling (1999) observed a similar effect, although they did find large differences in liking between different sponsorship properties: Namely that sponsorship of individual persons provides a different image than sponsorship of teams or events. McDaniel / Mason (1999) found a more positive effect on feelings towards the brand for a beer company compared to those felt towards a tobacco manufacturer in the case of Olympic Games sponsorship. Rifon et al (2004) found a positive effect of health sponsorship in terms of attributions of altruistic motives, but this effect only occurs in case of high sponsor-event fit. Maybe the most challenging results were found by Pope / Voges (1999): They replicated the study of Javalgi (1994) and basically came to the conclusion that increases in company image are not a result of sponsorship awareness, but mainly a consequence of prior brand use and the brand name itself.

Social responsibility

Some researchers included the image of a sponsor as a good corporate citizen in their research. Examples may be statements such as "Company X is involved in the community"²³⁰ or "X is a company concerned about the environment".²³¹ The effect on social responsibility has not been a major research objective in any of the studies, but it plays an important role when calculating image- or attitude-related indices. Not a great deal can be said regarding the impact on social responsibility in isolation. However, this seems to be one of the aspects that are most likely to be increased. Javalgi (1994), when developing a corporate image scale, only found a positive effect of sponsorship on the item 'is involved in community', but on none of the others. Quester / Thompson

²²⁸ Sneath (2005)

²²⁹ Quester / Thompson (2001)

²³⁰ Javalgi (1994)

²³¹ Hansen / Scotwin (1995)

(2001) conducted an experimental pre-post study among event attendees and non-attendees of an art festival and found positive results on perceived community involvement for all involved sponsors.

Stability / Success / Quality

Some researchers included statements about stability, security, and success or product quality in their research about sponsorship. Also here, in most cases these measures are not a research objective in themselves, but they rather are part of larger image statement batteries. However, some general conclusions can be drawn. While sponsorship seems to convey the impression that sponsors are stable and successful, the fact that a company is involved in sponsorship does not necessarily drive the perception that its products are of high quality. Rajaretnam (1994) found a positive long-term effect of sponsorship on the perceived size and financial health of the company, but a smaller increase for the perceived quality of its products. Javalgi et al. (1994) observed some impact on aspects such as 'well managed' or 'a company to work for', but no significant impact was measured on perceived product/service quality. Brown / Pope / Voges (2003) came to a similar result when conducting an experiment with different sponsorship stimuli among four different test groups. Using a modified version of the corporate image scale that had been developed by Javalgi et al. (1994), they measured an impact of sponsorship awareness only on abstract brand images, but not on physical attributes. Becker-Olson (2003) observed the effects of banner advertising and sponsored content on web site communities. She came to the result that in the case of sponsored content on the internet, a positive effect on product quality and category leadership can be expected.

5.2.3 Image transfer from the sponsored property to the sponsor

Although image transfer is a very popular topic for nearly all authors, in most cases this is measured on a rather general level. Only two studies were found that actually attempted to measure the transfer of specific image attributes from the sponsored property to the sponsor: The first one was conducted by Gwinner / Eaton in 1999, the second one by Coppetti (2004). Due to the importance of these results to this thesis, these two studies will be given more attention than the studies mentioned above.

Gwinner and Eaton set out to test whether the treatment of subjects with sponsorship stimuli leads to a change in their sponsor image in terms of image convergence, following the hypothesis that subjects who are aware of the sponsorship will have a more similar perception of the sponsor with the property than subjects not aware of the sponsorship. They further suggested that the image transfer process will be higher in cases of strong image similarity between sponsor and event, meaning that higher image similarity leads to higher image transfer. Similarity was measured in two

dimensions: functional-based and image-based similarity. The authors based their hypothesis on schema and congruence theory as well as on results of former research conducted with celebrity endorsement.

They conducted an experiment among undergraduate students. To measure brand and event image, they used a brand / event personality attribute list with 10 different attributes for each functional- and image-based similarity. A group of students were confronted with sponsorship stimuli; the control group did not receive such information.

Results indicate that there is an image convergence effect for functional as well as image based attributes. The authors found that "subjects who were exposed to the sponsorship arrangement had significantly lower difference scores (i.e. higher image congruence) than those subjects not exposed to the sponsorship tie for both the functional similarity [...] and image similarity [...] event-brand combinations".²³² They also found support for their second hypothesis that image transfer is stronger in cases of high basic image congruence between events and sponsor.

A similar experiment was conducted by Coppetti (2004), who observed the influence of selected sponsorship activation techniques on brand image. He exposed groups of undergraduate students to different sponsorship scenarios of a real-life event, thereby using different sponsors and various sponsorship design techniques (for a different level of brand experience). Results indicate that subjects exposed to scenarios with high-level brand experiences will be more likely to hold brand attributes that are congruent with the attributes of the event than subjects who are exposed to lower level of brand exposure. A higher level of brand exposure also leads to a more vivid perception of the sponsoring brands and a more positive brand attitude.²³³

5.2.4 Impact of sponsorship awareness on other brand-related aspects

Besides the impact on general attitude, image and image transfer, some authors included metrics in their studies that specifically refer to a sponsor's brand perception or are more directly related to consumer behavior. Of the 16 studies about impact on generic image / attitude, only 7 included such metrics. Most often observed were the following two aspects: impact of sponsorship on brand preference / consideration and on purchase intention.

²³² Gwinner / Eaton (1999), p. 53

²³³ cf. Coppetti (2004), p. 170ff

Brand preference / consideration

The hypothesis that sponsorship leads to higher brand preference was followed by some authors. In most cases, such hypotheses were at least partly accepted. Rajaretnam (1994) found in his long-term study a greater impact of sponsorship on brand preference than product advertising. However, he pointed out that it may take quite a long time for sponsorship to result in brand preference. Nicholls / Roslow found correlations between brand recall and brand preference at different sports events. However, they found such a correlation also for companies that in fact did not sponsor the events at all. Sneath et al (2005) conducted an on-site survey among visitors of a multiple day charitable event and found an effect on brand consideration only in the case of the festival activities, but not with the sporting events.

Purchase intention

The ultimate objective of companies to engage in commercial sponsorship is to increase sales. Although there is no academic study about the direct effect of sponsorship on sales, purchase intention was sometimes used as a proxy. However, results about this issue were mixed: Rodgers (2004) found that purchase intent for the sponsored product is higher only in cases of a relevant sponsorship linkage. Hansen / Halling (1999) also included buying intention in their study, but did not display the results. Pope / Voges (1999) showed that image effects can be attributed to former product use rather than sponsorship, but that purchase intention follows a completely different logic. In 2000, Pope / Voges analyzed the impact of corporate image, prior product use and sponsorship awareness as predictors of purchase intention among students, and found a significant effect by all three variables. Hoek / Gendall (1999) compared a group exposed to sponsorship and a control group which was not exposed, and found no differing impact on product purchase intention. However, they found that sponsorship reinforced the brand's place in the overall market structure. Madrigal (2001) tested a beliefs-attitude-intentions hierarchy in the context of university sports team sponsorship and observed a positive impact of sponsorship identification with purchase intention. However, he detected that the extent of this impact is very much related to the respondents' identification with the university's sports teams.

5.3. Summary

Chapter 5 provided an overview of the state of current empirical knowledge about the effects of sponsorship on a company's brand, and 34 studies published in the academic literature since 1990 have been critically examined. In general these studies state a positive effect of sponsorship on consumer brand perception. However, it must be considered that all studies used different

methodologies and measured sponsorship effects in a different way. Empirical findings can be classified into four different areas:

- *Determinants of sponsorship awareness:* A first finding is that personal involvement and interest seem to lead to higher sponsorship awareness. Further, it was observed that prominent brands are more often remembered as sponsors than non-prominent brands. However, often the link that respondents make is incorrect, and thus the higher levels of awareness with respect to prominent brands may just be a consequence of guessing and assumption. Another finding is that sponsorship awareness increases if perceived sponsor-event fit is high.
- *Impact on general image and attitude:* There seems to be a general transfer of positive feelings and sympathy to a company when it is visibly engaging in sponsorship. Although it may be interesting to know more details about this general transfer of positive attitudes, it is hard to further specify or operationalize it.²³⁴ Such an effect was measured in nearly all studies in this area. Furthermore, the image of social responsibility as well as stability / success is also conveyed through sponsorship. On the other hand, there seems to be a less significant effect of sponsorship on perceived product quality.
- *Image transfer:* The few studies in this area indeed observed an image convergence effect. The image of companies is more similar to the image of the event among consumers who are sponsorship aware compared with those who are not aware. However, only two studies measured attribute-based image transfer so far, and both of them were laboratory experiments using a convenience sample of undergraduate students.
- *Impact on other brand-related metrics:* Only limited results are available about other brand-related metrics, such as brand consideration or purchase intention. Generally, the results in this area are positive, but there seems to be less effect on behavioral oriented aspects compared with attitudinal aspects. It must be assumed that purchase intention and product buying may have little connection to sponsorship.

²³⁴ Some authors just call it 'the warm glow', cf. Parker (1990), p. 29.

PART B: THE WEALTH MANAGEMENT CASE STUDY

After having discussed the main aspects of sponsorship effects from an academic perspective, the second part of this thesis will now look into an applied example of how sponsorship is actually being measured by a company that spends a substantial share of its marketing budget in sponsorship related activities. The company is a global financial services firm with a large wealth management business. It is active in more than 40 countries, and is classified under the top 100 brands as ranked by Interbrand.²³⁵ Next to advertising, the company relies heavily on sponsorship as a measure to build its brand across regions and businesses.

The case study will display a few different facets of the firm's sponsorship measurement framework, displaying the conceptual background, the historical development, the different methodologies applied, the results as well as the way in which results are incorporated into a larger model of sponsorship assessment. Based on some of the company's research data, this thesis documents an empirical analysis of the impact of sponsorship on various brand-equity related measures that have been defined as key objectives of the firm's sponsorship activities. All data used here has been taken from research projects that were conducted in 2005 and 2006 within the firm's sponsorship measurement framework.

To document this wealth management case study and the results of the empirical analysis, part B is divided into three parts:

- **Conceptual background:** To better understand why and how the sponsorship measurement framework is implemented, it is important to know how it is conceptually designed and what rationales it follows. The same applies to the way in which the firm defines and measures its brand equity. Thus, in a first chapter (chapter 6), the different approaches and models that lead to the current sponsorship and branding status of the company will be shown. Then, in chapter 7 a deeper understanding about the empirical research questions and hypotheses will be established by elaborating a conceptual framework that combines the areas of sponsorship, brand equity and brand image. The conceptual framework follows a mainly data-driven logic, but also incorporates former findings of the theoretical discussion in

²³⁵ cf. Interbrand (2006)

chapters 2-5. The hypotheses development at the end of the conceptual part will open the field for empirical investigation.

- **Empirical analysis:** This part shows details about the data analysis that was conducted based on the firm's measurement studies. The empirical analysis follows the question of what findings can be drawn out of the company's measurement data to gain further insight into the effectiveness of sponsorship to increase brand equity or the sponsor's image. To do this, a couple of different data sets have been analyzed, using a variety of statistical tests. To fully understand the results of the analysis and to explain the statistical approaches that are applied, in chapter 8 the methodology of the research is presented first. Methodological issues include research design, the operationalization of the observed variables and the different statistical procedures that are used. Then, in chapter 9, the results of the research is shown. Results are grouped into three areas that bear reference to the hypotheses as developed in the conceptual part: impact on brand awareness and familiarity, impact on brand favorability and consideration, and impact on image transfer.
- **Implementation of results:** This part follows the question of how the results of the empirical analysis can be put into a broader picture to assess a sponsorship property's effectiveness, and what the implication for sponsorship management are. For this reason, the scope of measurement is broadened in chapter 10: Instead of only looking at brand-related aspects, other metrics are also being considered. Since the company set a variety of different sponsorship targets that go beyond branding (e.g. building relationships with new clients, building engagement for employees, creating media coverage), additional areas need to be included in an overall assessment model. This part of the thesis looks at the functionalities of such a model, what role the brand-equity related measures actually play therein, and how the properties ultimately score in the different dimensions. After having displayed the model, chapter 11 will show how results of the empirical analysis can be implemented from a management viewpoint. Two different perspectives are observed: The strategic perspective (sponsorship portfolio management) and the tactical perspective (sponsorship activation management).

The structure of part B of the thesis is shown in fig. 21:

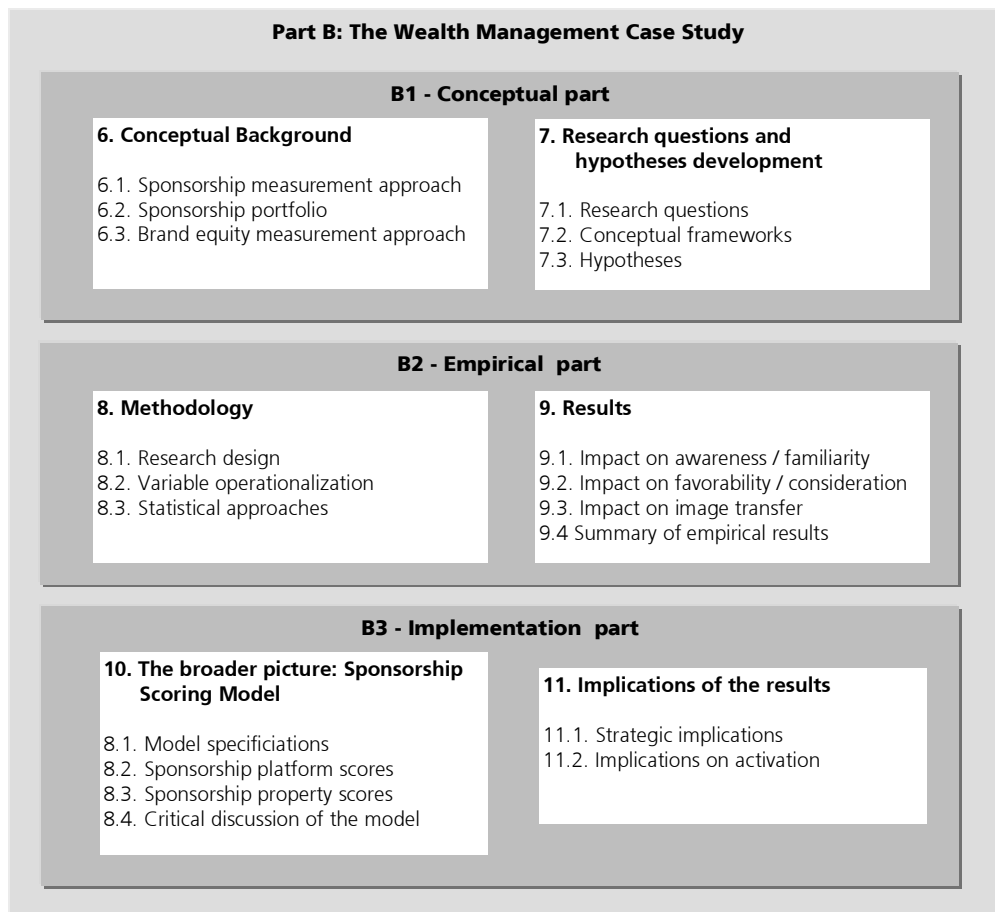


Figure 21: Structure of part B

6. Conceptual Background

In order to better understand the empirical work that will be done in the upcoming chapters, it is necessary to give some background on the specifications of the firm's framework to measure its sponsorships and its brand. It also might be interesting to know how the various sponsorships are managed in terms of activation and brand-building tactics. Therefore, the conceptual foundation of the brand and sponsorship measurement systems are shown, and the individual sponsorship platforms and properties are presented in this chapter.

The basic structure of chapter 6 is shown in figure 22:

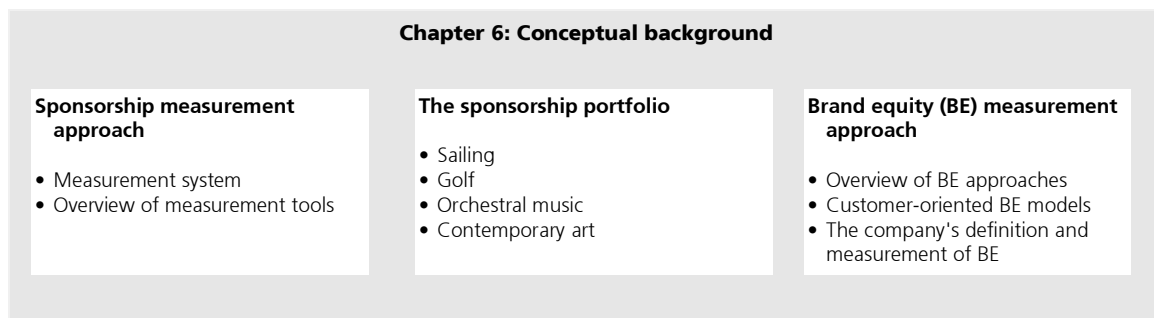


Figure 22: Structure of chapter 6

6.1. Sponsorship measurement approach

This section shows how the wealth management firm measures the effectiveness of its sponsorships. The firm's measurement system was conceptually designed in 2004 and implemented in the subsequent years. The firm adopted a multidimensional approach and developed appropriate metrics and tools that combine comprehensive measurement with flexibility in assessing properties with different sponsorship elements. The aims of the firm's sponsorship measurement approach are to get a detailed understanding of the effectiveness of the current sponsorship portfolio, to identify best activation tactics and to assess the relative role of sponsorship in the overall marketing mix. On a tactical level, results should help to improve and adjust the current way that sponsorships are activated as well as support fee negotiations with rightholders. On a more strategic level, the measurement provides basic information for renewal decisions (if a contract should be extended or not) and critically assesses the performance of the current sponsorship portfolio.

This section will go into details of some selected aspects of the firm's sponsorship measurement system. It will provide some background about the firm's sponsorship strategy and why it attempted to introduce a consistent measurement system. Then, it will be discussed in detail what different

measurement tools that have been used and how these tools have been allocated to the various sponsorship properties and platforms.

6.1.1 Measurement system

History

The emergence of the sponsorship measurement initiative goes back to the year 2000, when the wealth management firm started to systematically promote and proactively shape its brand. After having accomplished a number of sizeable mergers and acquisitions, the company faced the problem of having a cluttered brand portfolio including a number of brands which were well-established within certain markets and which were not necessarily associated with the main brand. The firm initiated a single brand strategy, aiming to combine all former existing sub-brands under one single brand and using one logo and brand identity everywhere. Former approaches, which combined old and new brand names were replaced with genuine brand descriptors that did not reflect the origin of the local brand. In some markets, such as the US, this change meant to abandon the whole brand equity of former companies and build up the new brand nearly from scratch.

Based on this starting position, the firm decided to use sponsorship as an important brand-building tool and to promote brand awareness and image in regions where it was not well-established. Senior management mandated the sponsorship department to construct a group-wide strategic approach to align sponsorship to the single-brand strategy and to the integrated business model. To unify the formerly cluttered sponsorship properties in each region, the firm defined a set of global sponsorship platforms complemented by some country-specific properties in Switzerland and the US.

A key requirement of the sponsorship strategy was to provide a consistent measurement framework that was to help leverage sponsorships in order to maximize the return on investment. After the implementation of the sponsorship strategy, a framework was developed to measure the impact of sponsorship on brand, business and employee objectives. A conceptual framework was developed in 2004 and then actual measurement was conducted in 2005 for the first time across all sponsorship properties worldwide.²³⁶ The comprehensive approach reflected the state of the art and can be considered a benchmark achievement in the sponsorship industry.

²³⁶ The empirical part of the thesis is exclusively based on results from the measurements in 2005 and 2006

Measurement objectives

The aim of the measurement is to assess to what extent the different sponsorship properties and platforms meet the overall sponsorship objectives set in the global strategy. The original sponsorship objectives can be divided into three different areas:

- *Brand*: Sponsorship within the observed firm is used as a vehicle to consistently promote and develop the brand across all regions and target groups, thereby complementing other marketing activities, especially advertising and PR. The task of the measurement is to assess if sponsorship has an impact on increasing brand familiarity and awareness in new markets, if brand image can be strengthened, and if there is an impact of sponsorship on brand consideration and favorability among the target group.
- *Business*: Sponsorship is also seen as a way to directly influence business results. This area is mainly approached by the extensive usage of hospitality opportunities for existing clients and prospects. The main objectives of the measurement system are to measure the number of clients and guests that have been entertained, the satisfaction of internal hosts and clients with the event, the impact of hospitality events on brand image perception by invited guests, and the usability of different hospitality platforms in the acquisition of new clients and the development of existing relationships.
- *Employee*: Employees have been identified as a key target group for sponsorship activities. Although employee-related objectives are less stringent than the other two areas, they were added due to the importance of employees as a strategic asset of the company. Measurement was conducted to assess if sponsorship has a positive impact on employee attraction and retention, as well as on commitment and performance.

In addition to these three main objectives, consistent measurement should help to answer a range of strategic and tactical questions outside the areas of brand, business and employee. On a strategic level, it is important to know how the overall sponsorship investments perform and how effectively the sponsorship budget is allocated across platforms. On a tactical level, project managers need to know the attitudes of the target audience towards sponsorship to leverage it in an optimal way. With the firm's measurement approach, sponsorship managers as well as senior management get insights into a range of questions, such as:

- What is the relative role of sponsorship compared to advertising?
- How effective is the current sponsorship portfolio, consisting of golf, orchestral music, sailing and contemporary art?
- Are the overall sponsorship investments in these areas justified?

- Is the way in which the sponsorship is leveraged appropriate? Are the right messages used, and are the right people targeted?
- Is the sponsorship fee justified, or is the property overpaid?
- Should the sponsorship contract be extended or not?

Measurement approach

As mentioned earlier, the scope of these sponsorship measurements is to be spread across all the different sponsorship areas and to include all regions worldwide. To achieve this ambitious task, the firm developed a comprehensive framework that is applicable to all sponsorship areas and yet includes the necessary flexibility to reflect the rapid change in the sponsorship portfolio. The framework is based on the following premises:

- *Bottom-up approach*: It is assumed that the overall impact of sponsorship can be considered as the sum of the impact of all sponsorship properties and events. Therefore, most of the measurement activities are conducted on an event-specific level to measure the impact on a single event property as a first step.²³⁷ Measuring on an event / property level provides immediate information for event-specific improvement and tactical planning, but it also serves as a basis for further data aggregation. In a second step, the results of each property within a given area are combined and brought to a platform level. This way it is possible to compare different properties within the same area (e.g. compare between various golf tournaments) and to show how they compete against each other.²³⁸ As a third step, the platform specific results are combined to reach an overall assessment of the impact of sponsorship, and to assess how the different sponsorship platforms perform against each other.
- *Consistency of metrics and research tools*: the firm defined a standard set of metrics which serve as a baseline to assess if a sponsorship activity is successful or not. These metrics are built around on the three main objectives of brand, business and employees (see above), and research is conducted to find out about the impact of sponsorship on these metrics. Besides standardized metrics, there is always the option to fill in event-specific questions that then serve tactical purposes. Furthermore, the firm has defined a set of research tools and methodologies that are applied across all different platforms, such as media monitoring, internal host feedback, on-site surveys etc. (see below). With the combination of standardized

²³⁷ In some cases, a sponsorship property is comprised of one single event in one location, as e.g. a golf tournament. In other cases, a sponsorship property may be composed of various events and sub-events. The company-owned symphony orchestra held nearly 20 concerts in 10 different countries in 2005. All these events are part of the same sponsorship property.

²³⁸ Possible questions on this level are, for example: How much press coverage is generated by concert X vs. concert Y? Is more sponsorship awareness generated among visitors of golf tournament X vs. golf tournament Y? How many clients were entertained by art fair X vs. art fair Y? etc.

metrics and standardized methodologies, the measurement approach is able to deliver results that are truly comparable across the firm's heterogeneous sponsorship portfolio.

- *Consistency in reporting:* not only were the research metrics and methodologies standardized, but also the way in which results are presented and communicated within the firm. For this purpose, so-called 'Sponsorship Measurement Scorecards' were created, which show the most important results in a very condensed form. The objective of these scorecards is to provide the results in an easy-to-understand way to project managers and senior management, and to make it possible to compare across different events. Within only one year, the sponsorship measurement scorecards were established as the official way in which measurement results are presented.

6.1.2 Overview of measurement tools

To measure the impact of all these different sponsorship activities on brand and business related objectives, the bank has selected a range of measurement tools that are applied consistently across all sponsorship platforms. Since each sponsorship property is unique to a certain degree and may hardly be comparable to other properties, the usage of these tools had to be adapted individually to take into account the singularities of each event. However, the attempt was made to keep methodologies of the research as comparable as possible.

The different tools can be classified according to their area of impact (brand or business) as well as according to which aspect of sponsorship they are measuring. Three distinct elements of successful sponsorship were defined:

- Media communication: all media activities to leverage the sponsorship among a larger target group in a defined region (e.g. print and TV advertising campaigns, PR, billboards etc.).
- Hospitality: all activities to leverage the sponsorship to provide unique and non-buyable experiences for clients and prospects.
- On-site presence: all activities to promote the firm among event visitors (e.g. on-site logos, information tents, game zones etc.).

Table 7 gives an overview of the measurement tools and how they can be classified into these three areas.

Aspect of sponsorship	Area of impact	Research tools
Media communication	Brand	Print and TV monitoring Pre / post surveys Brand Equity Monitor (BEM) Global sponsorship study
Hospitality	Business	Host feedback Event data tracking
On-site presence	Brand	On-site surveys

Table 7: Classification of measurement tools

The consistent usage of these research tools across all areas can be considered as the heart of the firm's sponsorship measurement system. The following sections will show methodologies and objectives of each research tool more in detail, as well as the metrics they are including.

Print and TV monitoring

The objective of the media monitoring is to measure the unpaid exposure generated through sponsorship in print media (newspapers, journals, magazines etc) as well as TV. Media monitoring gives an indication of the audience that was reached with the sponsorships and the costs that would incur if advertising was placed at the area of exposure. Key metrics include number of articles / seconds on TV with sponsor exposure, circulation, cumulated audience, cost per thousand (CPT) and advertising equivalent value (AEV).²³⁹ For properties that create a significant amount of exposure, several other aspects are investigated. For instance, in the case of sailing, the results also show exactly what amount of exposure is generated with different logo positions (on the boat, sail, spinnaker, crew clothes etc) and in which types of newspapers / magazines. To assess the relative performance of competitors, other sponsors are also included as a benchmark.

As discussed in section 3.2, measuring media exposure is the easiest and perhaps most cost-effective way to assess sponsorship outcomes. However, the level of exposure does not tell anything about the level of awareness or impact. Therefore, the firm looks at its media monitoring only as a first measurement step.

²³⁹ To calculate the advertising equivalent value, several parameters are taken into consideration, such as visibility, presence, front page vs. back page, color vs. black/white etc. Advertising equivalent value can be calculated with two different methods: based on 100% advertising rates (rate cards), or based on a cost per thousand (CPT) basis, assuming a 1 million sponsorship fee.

Pre-post surveys

Pre-post surveys aim to track the development of some key sponsorship and brand metrics among a defined target group in a specific area over a certain time period. Pre-post studies generally take place before and after large events and where the firm allocates a considerable activation budget to communicate the partnership. These indicate if the sponsorship has had an effect on the awareness of the firm as the sponsor of the event, and if sponsorship awareness leads to an increase in key brand metrics and brand image.

Pre-post studies are designed as CATI surveys (Computer Assisted Telephone Interviews) of 15-20 minutes length, conducted by professional market research institutes. The target group is private investors who have more than USD 500'000 in liquid assets,²⁴⁰ who have a relationship to at least one financial services firm and who are main or joint decision makers in financial matters in their household. Since this target group represents a very small percentage of the overall population and is generally difficult to reach, sample sizes of such studies are typically limited to not more than 300 interviews (150 pre and 150 post). The pre-wave typically ends before the communication campaign begins, and the post-wave starts right after the main event when post-event communication is in its final phase.

Brand Equity Monitor (BEM)

The Brand Equity Monitor is a study to measure brand awareness, familiarity and other brand metrics of the firm and its key competitors on a global basis. The study was initiated right after the introduction of the single brand strategy and has been repeated annually since then. It typically includes between 10 and 20 countries with 100-200 interviews per country, with a total of about 1200 responses per wave. All respondents belong to the firm's wealth management target group (USD 500'000+ in liquid assets), which may make the BEM one of the world's largest study among affluent households.

Besides measuring brand metrics, the BEM is also used to assess the level of awareness of corporate sponsorships in different areas. The inclusion of branding as well as sponsorship metrics has provided a good opportunity to analyze interactions between these two areas.

²⁴⁰ Liquid assets are defined as any money in cash, stocks, bonds, securities, savings and retirement savings, excluding real estate and pension plans.

Global sponsorship study

In order to assess the appropriateness and relevance of its main sponsorship platforms to the target group, the wealth management firm conducted a global study among affluent investors to measure their attitudes towards sponsorship and their interest in the sponsored areas. The global sponsorship study was designed in two phases: a qualitative exploratory study followed by a quantitative worldwide survey.

- The *qualitative phase* was designed as an exploratory focus group study in six important markets (in the US, Europe and APAC). The purpose of the qualitative study was to better understand the 'fit' between the firm's sponsorship platforms (golf, sailing, orchestral music, and contemporary art) and the interests and tastes of the target audience. It was also aimed to understand what sponsorship can realistically achieve in terms of impacting awareness and generating favorable brand-positive impressions.
- The *quantitative phase* was designed as a global telephone survey in 12 countries (n=1400) among the firm's wealth management target audience. Key objectives of this quantitative phase were to measure the extent of target audience's involvement in the different sponsorship categories; general attitudes towards financial institution involvement in sponsorship and attitudes towards financial institution involvement in specific categories of sponsorship; sponsorship awareness of the firm and its competitors, as well as the extent of image transfer.

On-Site Surveys

To find out more about the awareness and impact of sponsorship among the actual event visitors, surveys are regularly conducted with the on-site audience. These are typically designed as face-to-face interviews of 5-10 minutes in length, held directly during the course of an event with a random sample of 200-300 event visitors. On-site surveys have been accomplished for all different sponsorship platforms across the world. They do not only give insights into sponsorship awareness and its impact on brand perception, they also provide useful information about visitor demographics which otherwise are very seldom available to event organizers thus giving an indication of what percentage of the audience belongs to the firm's target audience.

Internal Host Feedback

Consistent feedback is gathered from client advisors who attended sponsorship events to get a picture about internal satisfaction with the event and its impact on business metrics. Shortly after the event, client advisors receive an electronic form with a (partly) standardized questionnaire,

where they give a detailed assessment of how they perceived the hospitality platform and how they assess the event's impact on client retention and client acquisition metrics. Key metrics include the number of prospects invited, the number of new clients, and the amount of new assets gathered after the event. This procedure is applied to all sponsorship related hospitality events, and given the large number of events, provides a very useful database to compare events against each other and to make improvements in future years.

Event data tracking

In order to assess the overall size of the different hospitality platforms, it became necessary to collect usage data from each event in a consistent manner. Since some of the sponsorship events were organized by local markets, there had not been any central database for this purpose. Basic event statistics, such as hospitality size, number of internal hosts, client composition etc., had to be collected manually from local event managers.

Not all of these measurement tools are applied to every sponsorship property. Usage of single tools is driven rather by efficiency and effectiveness rationales, as well as the individual requirements of each event. As internal host feedback, event data tracking and print media monitoring are rather cost-effective and can be standardized to a very high degree, they are conducted at all events globally. Other studies, such as pre-post studies or on-site surveys are only assigned to events where the firm has spent a substantial budget for sponsorship activation. Global cross-area studies, such as the global sponsorship study or the BEM, are conducted only once due to very high research costs.

6.2. The sponsorship portfolio

Historically, sponsorship has played an important role in the firm's marketing. Some activities were introduced before the single brand strategy and have impressively demonstrated that sponsorship can contribute to both brand and business development. The new sponsorship strategy was anxious to reflect and include former existing sponsorship properties. However, it also included areas that had not been considered before. Golf, for example, was newly introduced in 2005.

The sponsorship strategy formally divides three global content platforms: sailing, golf, and orchestral music. Additionally, two regional solutions for Switzerland and the US have been added, as well as contemporary art as a special platform built around the corporate art collection. A 'content platform' is an area of sponsorship content capable of delivering against the targeted

brand, business and employee objectives. 'Content platforms' represent the affinities and lifestyle preferences of the various client segments and establish an emotional and business connection with the respective target group. Regional platforms are differentiated from the global platforms to reflect the special circumstances in Switzerland and the US, where a less-affluent client group is targeted. Window properties therefore include more grassroots areas of interest such as cinema, athletics or ice hockey.

The structure of the firm's sponsorship portfolio is shown in figure 23:

Global Content Platforms

Sailing	Golf	Orchestral Music	Contemporary Art
America's Cup sailing team Match-race tour in Switzerland Regatta in Switzerland	High-prestige golf tournament in the US Two high-prestige Asian golf tournaments Golf tournament in Europe	Company-owned symphony orchestra. Leading symphony orchestra in the UK Leading symphony orchestra in the US	Corporate Art Collection Art fair in Europe Major art fair in the US Art museum in Europe

Regional Windows

Window Switzerland	Window US
Top sports and cultural events in Switzerland	Partnerships with top US cultural institutions

Figure 23: Structure of the firm's sponsorship portfolio

6.2.1 Sailing

The sailing platform consists of the following properties:

America's Cup sailing team

All sponsorship activities are connected to the sailing team and its team members with respect to their attempt to win the America's Cup in 2007. This includes the America's Cup itself, but many leveraging opportunities were also found with the antecedent Pre-Regattas of the Louis Vuitton Cup. The Louis Vuitton Cup is a competition which takes place in between two America's Cup events, in this case in 2004-2006. The Louis Vuitton Cup consisted of 12 different regattas, located in Valencia and other parts of Europe, where competing teams were able to challenge each other.

The Louis Vuitton Cup provided a good vehicle to create continuous exposure for the sponsored sailing team, and it was also used as a platform for clients and prospects as well as employee engagement programs. The ship's base in Valencia turned out to be a very suitable opportunity to offer clients and employees an experience they cannot buy.

A match-race tour in Switzerland

This competition was initiated by the firm in 2005 to stimulate the general interest in sailing competitions in Switzerland. The match-race tour consists of five races throughout the year, each taking place at a different location in Switzerland, with a finale in Geneva in November. Non-professional sailors have the opportunity to challenge each other, and even to race against professional sailing teams in some of the locations. The tournament is held on three-person streamline boats and has become the official Swiss Championship in Match Racing.

A regatta in Switzerland

This regatta takes place on a lake in the Swiss mountains in July each year. Formerly being independent, the regatta was integrated into the Swedish Match Racing Tour in 2005 and became one of the most prestigious regatta of the tour. The regatta provides the opportunity to see some of the world's most famous match racers in action, and is seen as a very special event especially because of the fascinating scenery in the middle of the Swiss Alps. The firm is one of two main sponsors and uses the event mostly for hospitality reasons.

6.2.2 Golf

Since golf enjoys great popularity amongst wealth management clients, it is seen to be well-suited for brand building purposes and should help to increase brand awareness and familiarity in markets where the brand is not yet established. Golf is also used as a large hospitality platform, providing clients and prospects unique experiences they cannot buy. In only two years, the firm has built up a high-class portfolio of international golf properties with an emphasis on the US and Asia/Pacific.

The golf platform was initiated in 2004 and since then has gained in momentum. As of 2006, the firm was involved in the following golf activities:

A US golf tournament

This tournament is considered as one of the world's best-attended golf events, attracting nearly 200'000 visitors each year. US TV channels cover nearly every detail of the tournament, and global TV exposure is estimated to reach approximately 50 million households across all five continents. The firm has used this event as their flagship golf property with massive print and TV advertising campaigns as well as infomercials, editorial features and other forms of promotional activities on a local and national level in the US. On the course, the firm is present as a sponsor in a decent and unobtrusive way. The tournament provides a good base for large hospitality events for clients and prospects, as well as opportunities for amateurs to practice directly with professional players (pro-am).

A golf tournament in Europe

This tournament represents the biggest and most important ladies' golf event in Europe. It attracts more than 30'000 visitors each year. The four main sponsors have accompanied the event for a long time. Leverage activities include hospitality and pro-am events, regional advertising campaigns in carefully selected newspapers and golf magazines as well as some TV inserts.

Two golf tournaments in APAC

The sponsorship of these golf tournaments was launched as a result of the strategic decision to expand golf sponsorship to the Asia/Pacific region. The event is considered to be a very prestigious tournament in South-East Asia, with regular attendance of the very best players of the European and Asian tours. The partnership was chosen mainly because it provided excellent brand-building opportunities in a strategically important market. The firm leveraged their partnership of the tournament with massive TV and print advertising campaigns as well as a highly visible on-site logo presence. Similar to all other golf properties, hospitality tents were built in the main area of the course and pro-am opportunities were offered to clients and prospects.

6.2.3 Orchestral music

The firm has a long history of partnerships with orchestral music properties, having already established most of its orchestral music sponsorship before the new sponsorship strategy was introduced. By formally defining orchestral music as an overall sponsorship content platform, the existing partnerships were integrated into a coherent concept. The platform is mainly built around a

company-owned symphony orchestra, supported by some other world leading orchestras. In Switzerland as well as the US, around 20 smaller partnerships support the connection of the firm to orchestral music. Due to their locally restricted reach, these are not a part of the orchestral music platform but are integrated into the local US and Swiss sponsorship solutions. The objectives of the orchestral music platform are to raise brand favorability levels and establish a linkage to selected brand associations as well as to provide a differentiating and non-buyable platform to entertain clients and prospects across all business groups.

A company-owned symphony orchestra

The company-owned orchestra is composed of over 100 musicians aged 17 to 29 from more than 30 different countries. It was founded in 1999 with the goal of supporting diverse young talents, giving them the opportunity to work with world-class conductors and soloists. At the same time, the orchestra created an influential model to associate the firm's brand to the support of cultural organizations, reflecting the shared values of teamwork, outstanding performance and passionate commitment. The orchestra was further used to create very special and unique hospitality platforms for clients, prospects and the wider audience.

A leading symphony orchestra in Europe

The firm has been a partner to the symphony orchestra for many years, and while the partnership evolved strongly over time, it can be considered as a very innovative model for corporate sponsorship of orchestral music. In 2004 the firm announced a three-year partnership including many new and unique initiatives, which represent a much deeper relationship to reflect their parallel values of passion and teamwork in the pursuit of excellence.

The key aims of the partnership are to assemble the finest musical talents and help them bring unforgettable music to audiences, while also providing new opportunities for the wider audience (composers, musicians, teachers and students). Exploring the unexpected and embracing talent is an important part of this partnership.

A leading symphony orchestra in the US

The orchestra is one of the largest orchestral music and performing arts organization in the US. Since 2004, the firm has been the exclusive season sponsor of the orchestra and supports their mission of making music at the highest possible level. The highlight of the partnership is the annual

Thanksgiving concert in November, which provides large hospitality opportunities for its clients and external guests.

A US music festival

In 2003 the firm initiated its sponsorship of the oldest summer music festival in the US. It opens in May and runs throughout the summer until September, featuring nearly 100 concerts in the areas of classical music, jazz and contemporary music, and attracting about 600'000 visitors. The firm is a leading sponsor of the festival as well as the principal sponsor of some selected concerts.

6.2.4 Contemporary art

Although contemporary art is not formally a part of the sponsorship strategy, it is being viewed as a fourth sponsorship platform next to the three other global platforms. The contemporary art platform is build around the corporate art collection and existing partnerships with some of the world's leading museums, art fairs and exhibitions. All sponsorship activities in area of art are linked to the corporate art collection in some way, either by directly featuring the corporate art collection, creating a link to the concept of Art at Work, or covering the same time period.

The Corporate Art Collection

The Corporate Art Collection consists of approximately 900 paintings and photographs, all of them from renowned contemporary artists and of museum quality. The collection is widely recognized as one of the world's most important collections of contemporary art, and in order to maintain this reputation, the works are regularly reviewed and re-valued by independent curators and experts.

To promote the Corporate Art Collection among a wider audience, partnerships have been established with world-leading museums where parts of the collection are shown for a certain period of time. This initiative started with the display of selected works at a major art museum in New York. Then the art collection moved to other places in Latin America, Europe and APAC.

Art fairs

The firm is sponsoring some of the world's largest art fairs that showcases modern and contemporary art. One event is taking place in Europe, featuring about 300 leading art galleries

from all over the world, with painting, sculptures, photographs and installations from more than 2000 artists, attracting about 55'000 visitors each year.

Another major art fair is taking place in the US. Although still smaller in size than the event in Europe, it is the most important art show on the American continent and a cultural and social highlight of the Americas.

In both events, brand visibility is created around the exhibition halls and in most of the official brochures and catalogues. The bank also offers a variety of special events and services for affluent clients and invited guests.

Art museum in Europe

The sponsorship of one of the major art museum in Europe started in 2005 and offered the possibility to combine the breadth of the Corporate Art Collection with the reputation of the prestigious museum. The sponsorship enabled a complete re-hang of the museum's permanent collection and offers the wealth management company to organize a range of festivals and live events where hundreds of prospects/clients are invited each year. The sponsorship follows the idea of 'opening up art', which means to open the art museum to more people than ever before.

6.3. Brand equity measurement approach

The company looks at its various sponsorship activities as a way to promote selected aspects of its brand. Sponsorship is thus seen as a brand-building marketing tool. However, the question is what aspects of the brand should be communicated with sponsorship and how the branding impact can actually be measured. After having shown the company's sponsorship measurement and portfolio, it will now be necessary to show the company's approach to branding and brand measurement. The brand measurement concept of the company is related to various theoretical approaches from different authors. It basically consist of brand awareness, familiarity, consideration, favorability and brand associations, which is subsumed under the term 'brand equity' (also called 'customer-based brand equity').

In order to better understand the broader context of the company's definition of brand equity, this chapter will give a basic understanding of how brand equity can be defined and measured, and how brand equity can be determined from a theoretical point of view. It will then be shown what approach the observed company took to define and measure its brand. This will serve as a basis for the operationalization of brand equity and brand image in chapters 8 and 9.

The first section will provide an overview about theoretical approaches to how brand equity can be determined and translated into a monetary value. The second section shows in detail the most common conceptual models of customer-based brand equity (CBBE). The third section describes how the company came up with its definition of the corporate brand.

6.3.1 Overview of brand equity approaches

Since the term 'brand equity' emerged in the 1980s, there has been increasing interest in the issue of how to operationalize and measure the value of a brand. A survey among Marketing Science Institute members in 1991 ranked brand equity as the number one issue facing marketing management.²⁴¹ This circumstance is reflected in the great number of existing approaches on brand evaluation existing in theory and in practice.

Interestingly enough, the first brand equity approaches were not developed out of marketing issues, but the discussion was initiated by corporate finance experts who wanted to evaluate brand equity for the purchase or sale of brands or companies.²⁴² From the early 1990s on, criticism was raised among practitioners and theoreticians concerning business finance-oriented models. The main point

²⁴¹ cf. Cobb-Walgern / Ruble / Donthu (1995), p. 26

²⁴² cf. BBDO (2001), p. 30

of criticism was that these models only concentrate on quantitative measures such as stock market capitalization or acquisition costs and therefore fail to catch key aspects of the essential qualities of strong brands. As a result, new concepts were developed which looked at brand equity and brand valuation from a customer-oriented perspective. These demand-oriented models focus on consumer judgments and investigate brand equity as an essentially qualitative construct. They try to explain what goes on in customers' 'hearts and minds' in order to determine the value of brands.²⁴³ In recent years customer-oriented perspectives became increasingly more important, as it was hoped that an enhanced understanding of the determinants of brand value from the consumers' viewpoint would yield key indicators for efficient brand management.

The idea of looking at brand equity from a customer-based perspective was first discussed by Aaker.²⁴⁴ Over the following decade, a range of different models were developed which took slightly different perspectives, but often made reference to Aaker's model in some way. The term 'customer-based brand equity' was then introduced by Keller in 1993.²⁴⁵

The methodologies developed to date for measuring and determining brand equity can be classified into three broad groups: business finance-oriented, customer oriented, and composite financial / customer-oriented (see figure 24).

Brand Equity Models		
Business finance-oriented	Customer-oriented	Composite financial / customer-oriented
<p>Characteristics:</p> <p>Quantitative procedures to compute a monetary value for brand equity, used to value brand equity in the context of acquisitions, licensing and analysts' opinions.</p> <p>Examples:</p> <ul style="list-style-type: none"> - capital market-oriented - market value-oriented - cost-oriented - price premium-oriented 	<p>Characteristics:</p> <p>Qualitative models that try to explain what goes on in the 'hearts and minds' of customers to determine a brand's value.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Aaker's model - Keller's model - Kapferer's model - icon Brand Treck model 	<p>Characteristics:</p> <p>Models that interlink qualitative and quantitative factors in order to provide a monetary value for brand equity.</p> <p>Examples:</p> <ul style="list-style-type: none"> - Interbrand - A.C. Nielsen - Millward Brown - Brand Equity Evaluator (BBDO)

Figure 24: Classification of brand equity models. Source: adapted from BBDO (2001), p. 22

²⁴³ cf. Bekmeier-Feuerhahn (1998), p. 34ff

²⁴⁴ cf. Aaker (1991)

²⁴⁵ cf. Keller (1993)

Business finance-oriented concepts

Business finance-oriented models can be classified according to whether they adopt a bottom-up or top-down approach. Bottom-up approaches aggregate specific brand-relevant aspects in order to form an overall judgment of a brand value. Such approaches are frequently used for brand valuation and include capital market-oriented, price-oriented and cost-oriented methods. The approach of top-down models is different: they first take a holistic view of a brand before they endeavor to place a value on specific attributes, such as the process of product branding. This category includes approaches such as conjoint analysis.²⁴⁶

- *Capital market-oriented approach*: From market theory viewpoint, it can be assumed that a brand is worth the maximum amount a purchaser is ready to pay to acquire it. From a financial market perspective the brand equity results from a company's stock market capitalization or market value.²⁴⁷
- *Market-value oriented approach*: The market value-oriented approach derives a brand value from the market prices of comparable brands. Typically this approach is applied to expensive items of personal property, such as cars and real estate. To value an item, the market values of comparable assets are taken as a starting point. The specific characteristics of the particular items are then taken into account, and the value of the item is derived by adjusting its market value upward or downward according to its special characteristics.²⁴⁸
- *Cost-oriented approach*: Cost-oriented brand equity approaches are based on the idea of the net asset value approach of corporate valuation. This approach aims to reconstruct the company's value by aggregating all assets at cost and deducting liabilities in order to obtain its net asset value. There are two different ways to apply the net asset value approach: based on historic cost or on replacement cost.²⁴⁹
- *Price-premium oriented approach*: Price premium-oriented approaches are based on the assumption that certain characteristics such as brand quality, brand awareness or brand strength allow that an enterprise can realize a price premium, that is a surcharge, for its brand. The brand thus brings the customer an extra benefit, which is reflected by the customer's willingness to pay a higher price for the brand product. Consequently the price-based brand equity can be determined when comparing the price of the branded product with the price of an unmarked product that is identical in all other respects.²⁵⁰

²⁴⁶ cf. Bekmeier-Feuerhahn (1998), p. 68

²⁴⁷ The costs of physical assets are deducted from the total company value. The residual intangible assets consist of the brand equity and the value of other factors, such as R&D and special industry factors. cf. Bekmeier-Feuerhahn (1998), p. 74

²⁴⁸ cf. Sander (1994), p. 100f; BBDO (2001), p. 33

²⁴⁹ cf. Bekmeier-Feuerhahn (1998), p. 69; Sander (1994), p. 98

²⁵⁰ cf. Crimmins (1992), p. 19; BBDO (2001), p.35f

Business finance-oriented approaches are primarily used to determine brand equity in the context of mergers and acquisitions, licensing issues or financial analyst's opinions. An advantage of such models is that they are only based on internal company figures, and to calculate a brand value there is no need to gather costly external data. However, from a brand management perspective, business finance models have some drawbacks. One of the most severe disadvantages is that they do not incorporate the consumer's role in the generation of brand value and do not give indications of how a low or high brand value actually came about.²⁵¹ Additionally, a number of models in this category do not take into account the competitive environment of the firm, which results in an inadequate evaluation of what a brand is really worth.²⁵²

Customer-oriented concepts

In contrast to these financially oriented models, customer-oriented concepts provide the brand managers with an understanding of where the value of a brand actually comes from and how it is built in the customers' minds. This way, companies can paint a clear picture of how brand strength is generated, and what aspects differentiate one brand from another. Such models are useful to identify reasons for a loss or gain in value and to track brand-value trends, and therefore they are much more suitable for brand management than business finance oriented models.²⁵³ Because a brand's value is based on consumer's attitudes and views, these models are often rather of a hypothetical manner and not suited for an exact numeric quantification of a brand's value. Empirical validations are difficult to conduct, and many of the factors driving customer brand perceptions are overlapping and interdependent. Furthermore, many of the models developed so far measure similar constructs and are not clearly delimitable. The next section will discuss the models of Keller and Aaker, which are regarded as the most prominent examples and which will serve as a basis for the operationalization of different dimensions of brand equity in the empirical part of this thesis.

Composite financial- and customer-oriented concepts

Composite financial and customer-oriented models mix financially-oriented values and psychographic factors in order to estimate a value of a brand. The output of these models is a financial value that should be as 'realistic' as possible. These different approaches are basically

²⁵¹ cf. Bamert (2005), p. 132

²⁵² cf. BBDO (2001), p. 22

²⁵³ cf. BBDO (2001), p. 41

distinguished from each other by how they define and connect the financial- and customer-based brand elements.

There are different models on the market, some of which have gained more importance than others over time. The most important approaches are:

- *Interbrand*: Interbrand defines brand value as "the net present value of future earnings generated by the brand alone".²⁵⁴ Brands are evaluated much the way other assets are analyzed, which is on the basis of how much they are likely to earn in the future.²⁵⁵ Interbrand's approach combines business finance figures with a range of customer-oriented metrics. The general idea of Interbrand is to figure out what percentage of a company's revenues can be credited to a brand alone and then to assess a risk profile of these brand-driven earnings. Based on the risk profile, a discount rate is applied to brand earnings, which results in a brand's net present value.²⁵⁶ The Interbrand method has been used worldwide for brand-value-related purposes, and it is one of the most frequently referenced methods in the international market. The Interbrand analysis is regularly published by Business Week.
- *Millward Brown BrandZ Top 100*: The Millward Brown approach was introduced recently in 2006. Similarly to the Interbrand approach, the BrandZ top 100 combines business finance oriented data with customer-oriented market research results. It builds on BrandZ, a large brand equity database (it claims to be the world's largest) and additionally uses consumer data collected from more than 30 countries. Due to this large database and a different calculation system, this approach provides some additional insight that can not be drawn from the Interbrand approach.
- *Other models*: There is a range of composite financial- and customer-oriented models which are sometimes mentioned in the brand equity literature. Examples are: A.C. Nielsen Brand Performer, Icon Iceberg approach, GfK Brand Power Model, BBDO Brand Evaluator, Brand Assessment System (BASS), Semion Brand Valuation, and others.²⁵⁷ Since they are all based on different methodologies, further details will not be shown at this point.

Composite financial- and customer-oriented approaches have been quite well received in practice and some of them also attracted some media attention (e.g. the Interbrand approach). However, some points of criticism have also been raised. For example, it was criticized that by combining business-related determinants of brand equity with behavioral ones, they tend to result in a degree

²⁵⁴ cf. Interbrand (2006)

²⁵⁵ This is the reason why BusinessWeek chose the Interbrand methodology for their Global Brands Annual Report, cf. Business Week, July 2005

²⁵⁶ cf. Bilanz 1/2006, p. 75; Business Week, August 1, 2005

²⁵⁷ cf. Bamert (2005), p. 164ff; BBDO (2001), p. 56ff; Bekmeier-Feuerhahn (1998), p. 78ff

of confusion between the input and output side. That is to say business-related factors may sometimes be interpreted partly as consequences of brand value rather than just determinants. Another point of criticism is the high level of subjectivity involved in the choice of factors that contribute to brand value within the different models, as well as the relative weighting of these factors.²⁵⁸

6.3.2 Customer-oriented brand equity models

Of all the various approaches that measure brand equity as outlined above, the concept of customer-oriented brand equity plays the most important role in the wealth management firm's attempt to measure the strength of its brand. Since the definition of the company's main brand metrics can be found in the models of Aaker and Keller, these two approaches will now be displayed in some more detail.

Aaker's approach

One of the most well-known concepts of customer-oriented brand equity is Aaker's.²⁵⁹ Aaker (1991) defines brand equity as "the set of brand assets and liabilities linked to the brand – its name and symbols – that add value to, or subtract value from, a product or service."²⁶⁰ Changing the symbol or name of a brand will affect its assets and liabilities, meaning that some of these assets will be lost or compromised.

Aaker identifies five main drivers of brand equity: brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets (shown in figure 25).

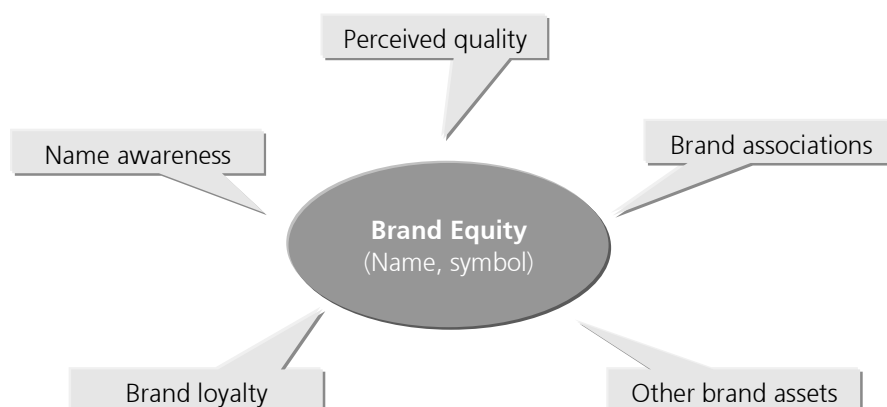


Figure 25: Brand equity dimensions. Source: Aaker (1991), p. 17

²⁵⁸ cf. BBDO (2001), p. 23

²⁵⁹ cf. Aaker (1991), Aaker (1996)

²⁶⁰ Aaker (1991), p. 268

- *Brand loyalty*: The loyalty of the customer base to a brand is seen as the core of a brand's equity. Loyalty shows through repeat purchasing and helps to generate a steady sale and profit stream. If customers are indifferent to the brand and buy a product because of its features and price rather its brand name, then brand equity is likely to be low. If, on the other hand, consumers continue to buy a branded product even when there are competitor products with superior features and lower price, then there must be some substantial brand value. Brand loyalty cannot exist without prior purchase and use experience. In contrast, other brand equity drivers such as awareness, associations and perceived quality are characteristics of many brands that a person has never used.
- *Brand awareness*: Brand awareness is "the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category".²⁶¹ Awareness includes a link between a brand and its product class and reflects the strength of the brand's presence in the consumer's mind. Brand awareness can be assessed as a continuum ranging from an uncertain feeling that the brand is recognized to the belief that this brand is the only one in the respective product class. According to Aaker, four different levels of awareness can be identified: unawareness of brand, brand recognition, brand recall, and top of mind awareness.
- *Perceived quality*: Perceived quality is defined as "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives".²⁶² As it is a subjective perception of customers, it differs from other quality concepts, such as product-based or manufacturing quality. Perceived quality can not necessarily be objectively determined. Firstly, because it is only a perception; and secondly, because people tend to have different opinions about the importance of different product features. Taking into consideration the variety of customer personalities, needs and preferences, perceived quality is defined relative to an intended purpose and a set of alternatives.
- *Brand associations*: According to Aaker, a brand association is "anything 'linked' in memory to a brand".²⁶³ Brand associations can be related to a various items, such as character, a consumer segment, a service, a symbol, a lifestyle or an activity. Each association has a level of strength, and the link of an association with a brand will be stronger the more it is based on a customer's own experience or on a consumer's exposure to brand communication. The strength of an association with a brand is also supported by a network of other links, which

²⁶¹ cf. Aaker (1991), p. 61

²⁶² Aaker (1991), p. 85

²⁶³ Aaker (1991), p. 109

all together form a brand image. Aaker defines brand image as "a set of associations, usually organized in some meaningful way".²⁶⁴

Critical assessment of Aaker's approach

The model of Aaker represents a conceptual approach that seeks to highlight the determinants of brand equity from a consumer's point of view. Although the approach is often cited in the brand literature, some concerns have been raised by various authors:

- The determinants of brand equity as outlined by Aaker are not mutually independent. Quality, for example, may also be a function of awareness, associations and loyalty. Furthermore, the factors Aaker has identified may not only be seen as determinants, but also outcomes of brand equity. In this respect they mix the input and output stages of a brand equity production function.²⁶⁵
- Aaker's approach does not take into account measurement requirements. He does not give any information on how numerical values could be assigned to a particular value of the model. Although quantities from business economics, such as high profit margins, are implicitly assumed to be outcomes of positive brand equity, the psychographic phenomenon is not transformed into a monetary equivalent.²⁶⁶

As a conclusion, Aaker's approach represents a mainly conceptual model of brand equity creation, but its usefulness for brand valuation purposes is limited. Although various theoretical and empirical results are incorporated in the approach, its empirical validation is still outstanding. From this background, little information about its reliability and validity is known of yet.

The approach of Keller

Based on the initial work of Aaker, Keller further developed the approach of looking at a brand's value from a consumer oriented perspective. He introduced the term 'customer-based brand equity' (CBBE), which he defines as "the differential effect that brand knowledge has on consumer response to the marketing of that brand."²⁶⁷ The CBBE of a brand is said to be positive when consumers react more favorably to a product and the way it is marketed if the brand is identified

²⁶⁴ Aaker (1991), p. 110

²⁶⁵ cf. BBDO (2001), p. 45

²⁶⁶ cf. Bekmeier-Feuerhahn (1996), p. 92

²⁶⁷ Keller (2003), p. 60

than when it is not. On the other hand, a brand's CBBE is said to be negative if consumers react less favorably to marketing activity for the brand compared with an unnamed or fictitiously named product. CBBE therefore involves consumers' response to an element of the marketing mix for the brand in comparison with their reactions to the same marketing mix element to a unbranded product. "When consumers report different opinions regarding branded and unbranded versions of identical products, it must be the case that knowledge about the brand, created by whatever means, (e.g. past experiences, marketing activity for the brand), has somehow changed consumers' product perceptions [...]. In other words, clothes may seem to fit better, a car may seem to drive more smoothly, the wait in a bank line may seem shorter, and so on, depending on the particular brands involved."²⁶⁸

According to this model, the power of a brand lies in the minds of consumers and depends especially on what they have learned about the brand over time. Consumer knowledge about a brand is the central driver of CBBE. Keller argues that marketing spending is not to be considered so much as 'expenses', but rather as 'investments' - investments in consumer's brand knowledge and experience.

When dealing with CBBE, two major questions arise: What are the sources of brand equity? And how can marketers build brand equity? The following section is organized according to these two areas and shows how Keller's model answers these questions.

Sources of customer-based brand equity

Keller ascribes the creation of brand equity mainly to two dimensions: brand awareness and brand image. "Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory".²⁶⁹ Sometimes, brand awareness is already sufficient to create favorable consumer response: for example in low involvement purchase decisions where consumers base their choice mainly on familiar brands. However, most often the strength, favorability and uniqueness of brand associations play an important role in determining the response that results in brand equity.

- *Brand awareness* can be divided into two sub-dimensions: brand recognition and brand recall.²⁷⁰ Brand awareness is mainly created through repeated exposure, although this is in general more effective for brand recognition than for brand recall. Anything that causes a consumer to see or experience a brand name, logo, symbol, slogan or the like can potentially

²⁶⁸ Keller (2003), p. 61

²⁶⁹ Keller (2003), p. 67

²⁷⁰ Brand recognition relates to the ability to confirm prior exposure when given the brand as a cue, brand recall relates to retrieving the brand unprompted, when given only the product category as a cue. Cf. Keller (2003), p. 69

increase awareness of and familiarity with that brand element. Examples include different communication measures such as advertising, sponsorship, public relations, event marketing etc.

- *Brand image* is defined as "perceptions about a brand as reflected by the brand associations held in consumer memory".²⁷¹ Positive brand images are created by marketing measures that link strong and favorable associations to the brand in the customer's mind. Keller distinguishes brand associations into four different dimensions: Types of brand associations, strength of brand associations, favorability of brand associations and uniqueness of brand associations.

The sources of CBBE in Keller's model are summarized in figure 26:

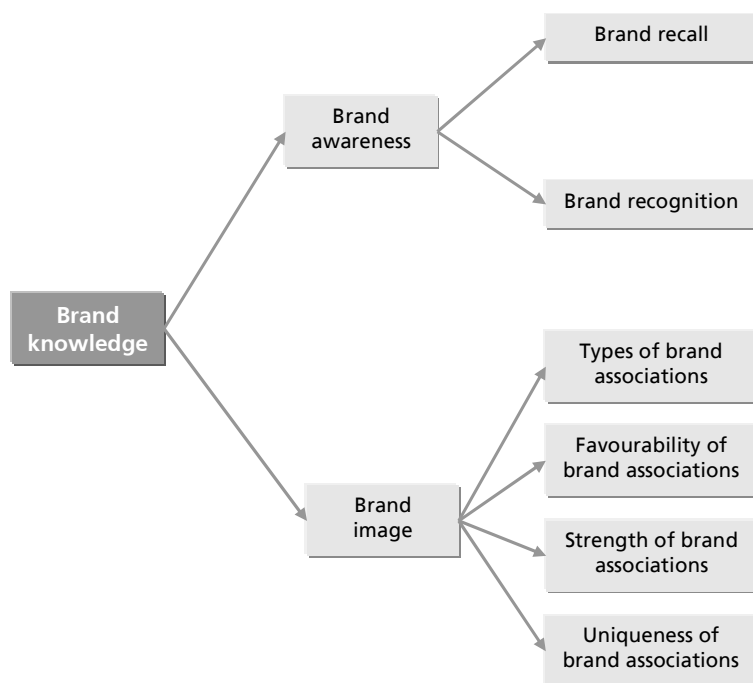


Figure 26: Sources of customer-based brand equity. Source: Keller (1993), p. 7

Building customer-based brand equity

Some years later, Keller provided a model that shows how a strong brand is built or created. According to Keller's CBBE model, brand building can be thought of in terms of a sequence of steps, where each step is contingent on the successful completion of the previous step. These steps make up what is called the 'branding ladder', one step being a necessary prerequisite for the next

²⁷¹ cf. Keller (1993), p. 70

step. To provide a more detailed structure, Keller establishes six 'brand building blocks'. Each block can be linked to a brand building step, and the blocks can be assembled in terms of a brand pyramid. The creation of significant brand equity is achieved by reaching the top of the CBBE pyramid, and it will only occur if the right brand building blocks are used. Keller's model of building brand equity is illustrated in figure 27:

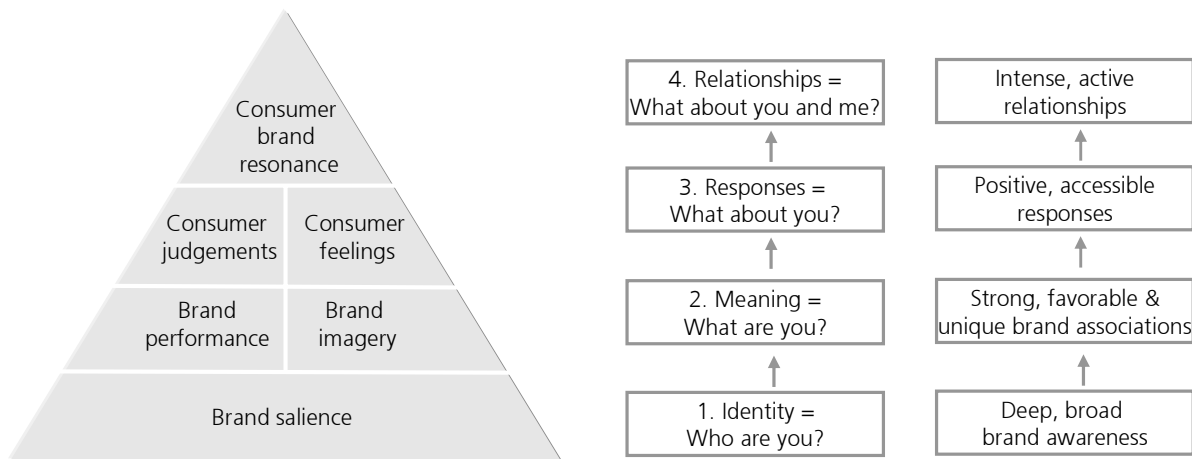


Figure 27: Customer-based brand equity pyramid. Source: Keller (2001), p. 7

Critical assessment of Keller's approach

Since Keller's approach is similar to Aaker's model, it also has similar drawbacks. The following criticisms have been raised:²⁷²

- Although Keller does offer an analytical concept of brand equity development, the approach lacks a sound empirical foundation. The approach is based on singular empirical results, which do not take into consideration interferences between the observed constructs. While having many different drivers of CBBE, the interdependence problem is even more pronounced than in the case of Aaker. An overall empirical validation of Keller's approach is still to be done.
- Similarly to Aaker, Keller does not show how brand equity and its drivers might be translated into a relevant monetary value. It remains unclear how the different aspects should be measured and what their weight in relation to an overall brand value would be.

²⁷² cf. Bekmeier-Feuerhahn (1996), p. 96; BBDO (2001), p. 49

In conclusion, Keller's approach represents a heuristic model of brand equity evaluation, which has its strengths on the conceptual side, but rather little empirical value. The model identifies various facets of how brand equity can be built from a consumer's perspective, however it does not address the issue of how to measure and operationalize its different components and drivers. Since the model has never been tested empirically, its degree of validity and reliability can not be assessed at this stage.

6.3.3 The wealth management firm's definition and measurement of brand equity

After having shown the main theoretical sources of customer-based brand equity, it will now be shown how the wealth management company built its brand equity measurement and definition and how it is used for brand management purposes.

The measurement of brand equity plays a crucial role in the observed wealth management firm's communication activities. When the global one-brand strategy was implemented in 2003, the firm started to create a new face for its brand and built a completely new concept of how to measure brand associations and brand equity. The focus on the brand as a central area of communications was based on the finding of various researchers that branding is a crucial factor of success in the financial services industry and especially in the wealth management / private banking sector.²⁷³ To properly define the brand, the wealth management firm started a major research initiative, where worldwide approximately 3000 interviews were conducted with consumers and members of the business-to-business target audience to determine the core aspects of a wealth management brand from a consumer perspective.

Definition of brand equity

To determine the main aspects of its brand equity, the firm followed the concept of a 'marketing funnel'. The marketing funnel's underlying assumption is that a brand has to go through multiple phases when entering a new market to attract new clients. The model refers to the status of a brand in a regional market, such as a specific country, but it can also be used to describe the stages an individual person passes when moving from 'prospect' to 'client'.

The first step of the funnel is to create awareness of the brand within a potential target group that has formerly been unaware of the brand. The second step is to create brand familiarity from brand awareness, which includes fostering basic knowledge about the company, its products and services

²⁷³ For a comprehensive review of the literature about branding in the private banking sector see Walbert (2006).

and reputation. The third step is to move the company into the consideration set of prospects that have some knowledge about the firm. A subsequent step, which may take place at the same time, is to create brand preference, which is actually equivalent to moving a particular brand up to a higher position within an individual's consideration set. The ultimate step would then be to turn brand preference into actual behavior by starting a client relationship with prospects who show high brand preference.²⁷⁴

The basic phases of the funnel, which serve as a base for the division of brand equity into four different metrics, are shown in figure 28:

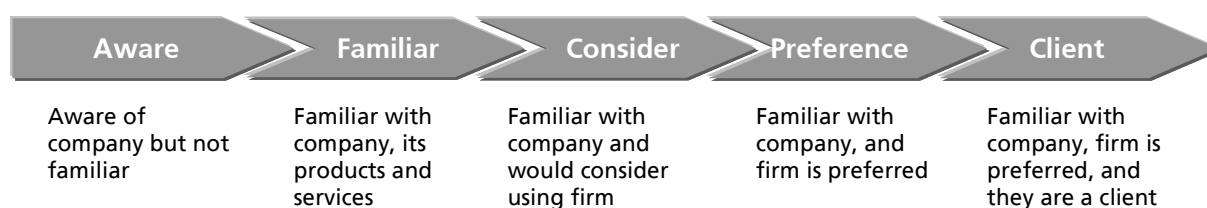


Figure 28: Marketing Funnel

The marketing funnel plays an important role for decision-making about marketing investment especially in regions with low brand awareness and familiarity levels. Also the success of global branding initiatives is measured by looking at the development on the different stages in the marketing funnel as well as conversion rates from one step in the funnel to the next.²⁷⁵

Additional to the variables included in the marketing funnel, a few other metrics were added to the definition of the wealth management firm's brand equity. Although there was not one single theoretical model that served as a basis for brand equity measurement, the former works of Keller (2001) and Aaker (1991) as presented before provided an important source of inspiration. Among the most important brand equity metrics are:

- *Brand favorability*: Defined as the extent to which consumers feel favorable towards the company. Brand favorability is seen as an important influence factor for brand consideration in the marketing funnel. Brand favorability is thus located between the stages 'consider' and 'preference' in the funnel.

²⁷⁴ The idea of a marketing funnel was inspired by the AIDA model as originally developed by Elmo Lewis (1989). It takes the assumption that each individual step is a prerequisite for the next step and that consumer decision making can be divided into selective phases that follow an inherent logic. However, the AIDA model and step-based models in general have been discussed controversially as they are seen to be inappropriate, since they follow a stimulus-response oriented approach and have not been confirmed empirically. Research has shown that the different phases of the marketing funnel overlap and do not follow a consistent process. Instead, the existence of brand familiarity, consideration and preference may be created simultaneously or even in a different chronological order than expected. The marketing funnel therefore has lost some of its importance for the wealth management firm since its introduction. Nonetheless, it is still used as a frame of reference for brand equity measurement.

²⁷⁵ More details about the operationalisation of the funnel will be shown in chapter 8.

- *Perceived quality*: This dimension goes back to the works of Aaker, who defined 'perceived quality' as one out of five key brand definitions.²⁷⁶ Perceived quality would be located between the stages 'familiar' and 'consider' in the marketing funnel.
- *Brand Attributes*:²⁷⁷ Brand attributes were seen as one of the key elements of brand equity. As a result of the global brand research initiative, a set of 10-15 key brand attributes were created that reflect the most important dimensions that a wealth management company should provide from a consumer's perspective.

All these metrics together build the core of the wealth management's brand equity.

Measurement of brand equity

After having defined the key elements of its desired brand equity, the wealth management firm has set up a long-term tracking system to monitor the status and progress of the different metrics among its target audience in all key markets. To do this, a global brand tracking study (Brand Equity Monitor) was created that measured brand awareness, brand familiarity, brand consideration, brand favorability, perceived quality and the brand attributes for the wealth management firm and its key competitors among consumers and B2B target audience.²⁷⁸ This study was repeated every year and provided an important basis for decision making of all brand-related communication activities, such as budget allocation across different marketing tools and prioritization of key branding markets.

The firm basically measures its brand equity by looking at the individual variables from the Brand Equity Monitor separately. The key brand metrics are brand awareness, top of mind awareness and brand familiarity. All branding activities should serve the purpose to drive these metrics to a higher level. In markets where awareness and familiarity is already high, enhancing the brand attributes as well as favorability and consideration are taken as key objectives.

Although there are industry models that come up with a realistic monetary value of the brand,²⁷⁹ the wealth management firm has never attempted to build such a model or take existing valuation models as a benchmark. Existing industry approaches are seen as a source of inspiration for further development of the firm's brand equity measurement. However, since most of the brand equity definitions go back to the internal research initiative that was conducted after the implementation of the single brand strategy, no standardized industry approach would ever yield exactly the results that are required for the company.

²⁷⁶ cf. Aaker (1991), p. 34ff (see previous section)

²⁷⁷ 'Brand attributes' correspond to the concept of 'brand associations' as defined by Keller (1993) and Aaker (1991).

²⁷⁸ Further information about the Brand Equity Monitor is given in section 8.1.

²⁷⁹ The most popular examples of these are the brand valuation methods of Interbrand and Millward Brown, cf. section 6.3.1.

7. Research questions and hypotheses development

This chapter still belongs to the conceptual part of the wealth management case study and can be seen as a preparation for the coming empirical data analysis in chapters 8 and 9. The chapter will specify the process by which research questions and hypotheses were worked out. First, the underlying rationale for the research questions will be shown, and research questions will be clearly outlined. The research questions will then be summarized from the point of view of two different conceptual frameworks (sponsorship-brand equity framework and image transfer framework), and specific hypotheses will be deduced by looking at the theoretical and empirical insights gleaned from chapters 3-5.

The structure of chapter 7 is shown in figure 29:

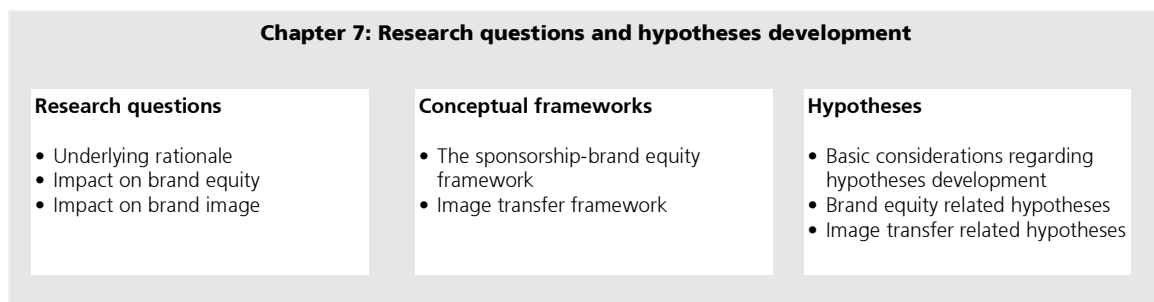


Figure 29: Structure of chapter 7

7.1. Research questions

7.1.1 Underlying rationale

The basic attempt of this thesis is to get a more detailed understanding of how different forms of sponsorship affect a sponsor's brand equity and brand image, using the concrete example of a leading global wealth management company. The research questions refer to some of the objectives that the firm had set for its sponsorship activities when its global sponsorship strategy was implemented. Whereas some years ago, the objectives of sponsorship investments were rather diffuse and not explicitly announced, the current sponsorship strategy has set clear and measurable tasks which sponsorship should be able to achieve in the areas of brand, business and employees. Specifically, brand-related objectives include 'increasing brand awareness', 'increasing brand familiarity', 'enhancing brand favorability', 'enhancing brand consideration' as well as some other

branding related aspects. However, these objectives were not based on any evaluation of previous empirical studies; they were rather a result of discussions among sponsorship experts and senior management. In this respect, the attempt of this thesis is to review whether these objectives are meaningful at all and which of the various sponsorship activities might be best suited to reach these objectives.

Although the elaboration of sponsorship objectives was not based on scientific principles, it must be assumed that the objectives are basically reasonable. Given the rapid pace in sponsorship investments as well as the pervasiveness of brand equity and brand image related objectives with sponsorship investments, it must be assumed that there lies some significant potential in sponsorship to enhance brand equity and image. However, as showed in chapter 2, sponsorship is a very heterogeneous field with a large range of different areas and individual arrangements. Therefore there may be differences between individual arrangements and sponsorship areas. The implied assumption of this study is that, although there may be some brand-building potential in sponsorship per se, consumers' reactions to sponsorship is not homogenous and may depend on various factors. These may include: sponsorship area (sports vs. cultural, or golf vs. sailing), the sponsorship property, the sponsor, the region, the message that a sponsor uses, the personal interest and involvement of the target audience, and many other aspects. Since it would be very difficult to consider all potential factors within one single study, only a set of selected aspects will be observed. These will be prioritized according to their importance for the firm's sponsorship strategy and their applicability in terms of tactical and strategic measures.

The research questions of this thesis are based on a series of principles.

- *Measurability*: All aspects of sponsorship included in the research must be empirically measurable and operationalized. The message that a sponsor uses to promote the sponsorship, for example, is not an empirically measurable variable and therefore will not be further investigated.
- *Applicability*: Results of the study need to be provide applicable insights that can be used to improve future sponsorship activities to a certain degree. Since this study is focusing on one selected company only, its applicability is restricted to the areas defined in the firm's sponsorship strategy (golf, sailing, orchestral music and contemporary art). Other common fields of sponsorship for other wealth management firms, such as formula 1 or tennis will not be further investigated.
- *Relevance*: Research questions should reflect a certain informational need from a sponsorship manager's point of view to support investment decisions and optimize the impact of investments on brand-related objectives. Research questions should not only be the result of a

theoretical discussion, but need to be useful to provide insights that are relevant to guide future sponsorship planning.

- *Consistency with former brand measurement:* Since this study is focused on a specific wealth management company, all research has to be in-line with definitions and approaches as they have been previously defined by this particular firm. This affects the way in which the target audience is selected, how sponsorship awareness and brand equity are defined, which sponsorship areas are investigated etc. When attempting to expand the findings to competitors, the broader area of financial services industry or sponsors from other sectors, these specific parameters must always be kept in mind.

7.1.2 Impact on brand equity

Building brand equity has been seen to be an important reason for companies to invest in sponsorship. Chapter 5 has shown that there is some empirical evidence on the connection between sponsorship awareness and brand-related variables. However the literature review has also revealed that not enough is known to really be able to draw sound conclusions in this area. On the contrary, there is still a lack of knowledge on which sponsorship areas affect which aspects of brand equity and why.²⁸⁰ Furthermore there are no existing studies that investigated the relative impact of different sponsorship areas from a comparative viewpoint.

A crucial point when investigating the connection between sponsorship and brand equity is which aspects of brand equity should be observed and how they should be measured. In order to reflect the peculiarities and uniqueness of the company's brand, the research questions below refer to brand equity as it has been used and defined within the company's brand management area.²⁸¹

The following brand equity related research questions serve a base for the empirical analysis:

- Is sponsorship capable of raising *brand awareness*?
- Does the awareness of sponsorship affect how *familiar* people feel with the brand?
- Does sponsorship awareness drive *favorable feelings* towards the sponsor in the target audience?
- Does sponsorship awareness have an impact on the extent to which the target audience would *consider doing business* with the sponsor?

²⁸⁰ cf. Meenaghan (2001), Walliser (2003)

²⁸¹ More details about how relevant brand equity variables were selected and operationalized will be shown in chapter 8.

- Are there systematic differences between the effects of different sponsorship areas (golf, sailing, contemporary art, orchestral music) on consumer perception in terms of favorable feelings and brand consideration?

7.1.3 Impact on brand image

Enhancing and changing a company's image has also been identified as an important driver of sponsorship activities.²⁸² Although the concept of 'brand image' and 'brand image transfer' is partly covered within the brand equity framework, there has never been a clear definition of brand image, and it has not theoretically been integrated into the wealth management firm's brand equity discussion. Furthermore, the idea of 'brand image transfer' was never touched upon in the conceptual brand equity approaches. For the wealth management firm, image transfer and other image-related aspects which only partly overlap with brand equity measurement and brand image are conceptually separated from brand equity. Although the firm has defined a set of brand associations as part of its brand equity measurement, these are mainly focused on the brand value proposition and are not directly connected to its sponsorship activities. Although image attributes used for sponsorship are derived from standard brand associations, they do not have a direct connection with the value proposition and are therefore not part of the firm's brand equity.

Due to these reasons, all image-related aspects are treated as separate from other brand equity variables. Especially the idea of brand image transfer needs some special considerations, since it does not merely incorporate the sponsor's image, but also the brand equity of the sponsored property.

The following image-related research questions will be investigated:

- Does awareness of sponsorship have an effect on the perception of specific image attributes of the sponsor?
- Which images are conveyed by each sponsorship area (golf, sailing, contemporary art, orchestral music)?
- Are there general image values that are transferred through sponsorship per se, independent of any given sponsorship area?
- Are there systematic differences between sports and cultural sponsorship in this respect?

²⁸² cf. chapter 2

7.2. Conceptual frameworks

Based on the research questions, a conceptual framework was developed both for the area of brand equity and that of brand image transfer, a framework that shows the assumed connections between sponsorship, sponsor image and brand equity. The aim of the conceptual frameworks is to embed these research questions into a larger content and show the interconnections among the various research questions. The frameworks will also be taken as a basis for hypothesis development and will act as a frame of reference for the empirical data analysis in chapter 9. Although the frameworks are based on theoretical discussions from chapters 2-5, they are very much customized and tailored to the special requirements and circumstances of the observed wealth management firm.

7.2.1 The sponsorship - brand equity framework

The development of the sponsorship-brand equity framework refers to the works of Keller (2003) and Aaker (1996), who outlined possible components of a company's consumer-based brand equity,²⁸³ as well as the works of Meenaghan (2003) and Cornwell / Weeks / Roy (2005) from a sponsorship research viewpoint. Other sources of information were also the insights of various empirical studies presented in chapter 5. A major frame of reference is the 'marketing funnel', a concept the wealth management company uses to manage and measure its brand equity and sponsorship key performance indicators.²⁸⁴ Overall internal sources within the company may play a more important role than external sources. However, it was attempted to include scholarly approaches as much as possible.

The 'sponsorship-brand equity framework' is built on four main components: sponsorship awareness, brand equity dimensions, the type of target audience, and other influencing factors. The rationale behind these components and their dimensions will be discussed in the following section.

Figure 30 shows the 'sponsorship-brand equity framework' in a graphical form:

²⁸³ The works of these authors actually had a strong influence on the way the firm measures its brand equity.

²⁸⁴ cf. section 6.3

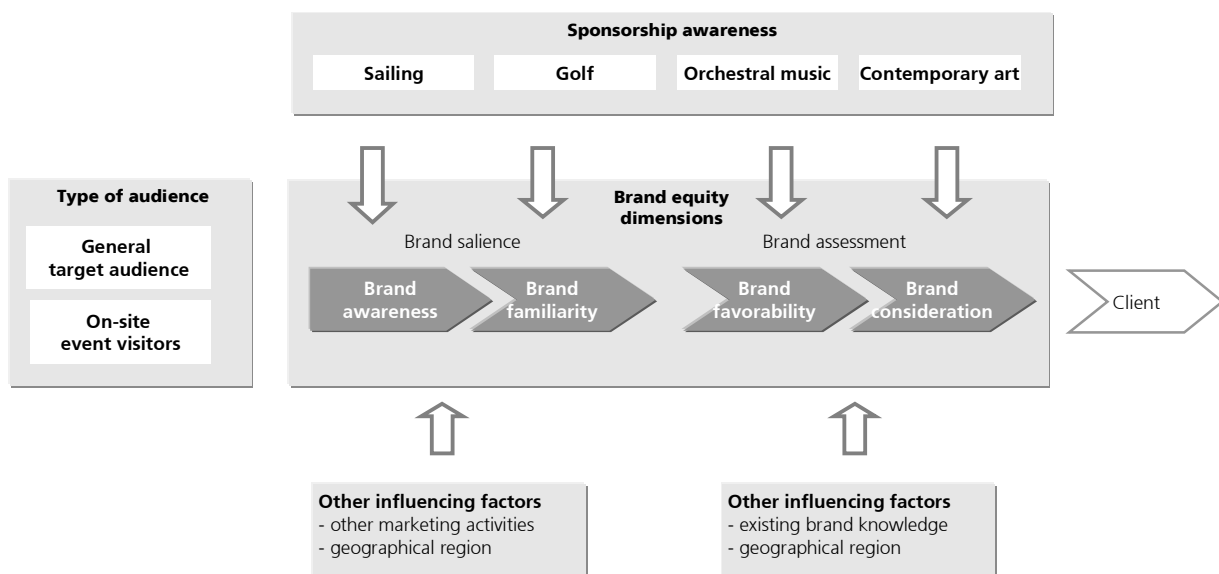


Figure 30: Sponsorship-brand equity framework

Sponsorship awareness

Sponsorship awareness is the first component and will be considered as a possible driving factor for subsequent brand equity dimensions. Since the aim of the empirical work is to compare different areas, sponsorship awareness is divided into four topic areas (golf, sailing, contemporary art, orchestral music), thereby reflecting the wealth management company's four sponsorship platforms.²⁸⁵ It should be mentioned that although these platforms may seem to be homogenous at first glance, most of them are actually built on multiple individual properties which all have individual characteristics and may lack comparability in some respects.²⁸⁶ However, it is assumed in this thesis that the image overlap of properties within a content platform is large enough to look at them as if they comprised one single homogenous area.²⁸⁷

²⁸⁵ cf. section 6.2

²⁸⁶ The presentation of the different properties in section 6.2 gives some feeling of the uniqueness of each property and the differences between properties within a content platform. While the sailing platform is basically built only around one single property, the composition of the orchestral music platform for example is much more complex, with some significant differences in the individual property's image, regional reach and activation tactics.

²⁸⁷ This assumption was confirmed by qualitative research about the image of the different topic areas among the general target group. In former research, each of the four areas turned out to carry strong and consistent image associations. Rather than varying between individual artists/orchestras/teams, the perception of a sponsorship area turned out rather to be driven either by personal interest or by cultural differences.

Dimensions of brand equity

The second component of the framework is built on selected brand equity dimensions that may possibly be impacted by sponsorship awareness. Four distinct aspects of brand equity are observed: brand awareness, brand familiarity, brand favorability and brand consideration. Referring to Keller (2003), these four aspects can be aggregated into two broader areas: brand salience and brand assessment.²⁸⁸ The reduction of brand equity measurement to only four distinct variables may appear to be too simplistic. However, the attempt of this framework is to reduce brand equity to the way the observed company has been measuring its brand equity.

Type of audience

The type of the audience is another important dimension of the sponsorship-brand equity framework. Two distinct target audiences of sponsorship activities are observed within this thesis: the general target audience (potential clients in a given market), and the on-site visitors who visit events sponsored by the firm. The division into these two groups of target audience reflects the way the firm classifies its sponsorship activities and measures sponsorship success. Three distinct aspects of successful sponsorship were defined: media communication, on-site presence and hospitality.²⁸⁹ Media communication includes all leverage activities that reach out to the general target audience, such as advertising and TV campaigns, billboards, PR activities and the like. On-site activation refers to the way sponsorships are leveraged within the area of the event to visitors. This includes traditional sponsorship measures such as logo presence, billboards and advertising in program sheets, but it may also comprise extraordinary and unique activities such as public game zones or special side-events with public participation. Hospitality activities refer to all client-related on-site activities that are not open to the broad public, such as for example the buildup of VIP tents, backstage visits, pro-am tournaments, meetings with artists and athletes etc.²⁹⁰

Although the general target audience and on-site visitors may overlap to some extent, they differ in various aspects which may result in a different level of sponsorship awareness and a differing impact of sponsorship on brand equity.

²⁸⁸ Brand salience and consumer perceptions reflect two main dimensions of the CBBE pyramid as developed by Keller (2003). However, the way they are used in this thesis is slightly different. According to Keller, brand salience is a necessary factor for creating deep and broad brand awareness, and it rather describes the way awareness and familiarity is created rather than the actual level of awareness and familiarity itself. Also Keller's definition of consumer judgments is not completely congruent with the way it is used in the present study. Keller's definition is broader and also includes aspects of brand quality, credibility and superiority which are not part of the considered firm's brand equity measurement. Cf. Keller (2003), p. 76-88 and section 6.3.

²⁸⁹ cf. section 6.1

²⁹⁰ The impact of sponsorship on existing clients would be an interesting question, but client entertainment is part of hospitality, and hospitality activities follow a different logic than other sponsorship activities. They are much more business-oriented and are driven by client advisors, while not many brand-related aspects are included.

- *Level of liquid assets:* The bank defines its general target audience mainly by the amount of liquid assets available. The global threshold level of liquid assets was defined as USD 500'000, which reflects the fact that the firm is a wealth management company in all global markets and does not offer any retail banking services.²⁹¹ Although all sponsorships are designed to reach out to as many potential clients as possible, on-site research has shown that the actual share of target audience among event visitors is small even at very high-class events.²⁹² The difference in asset levels between on-site visitors and the general target audience may affect the demographic structure of the two target groups, with the general target audience more likely to be older, more highly educated, more financially savvy and more likely having a senior management position than members of a typical on-site audience.
- *Level of interest / involvement:* The selection of the sponsorship platforms was mainly driven by the aim to best meet the potential interest of the firm's general target audience. However, it can not be assumed that the interest of the general target audience is at the same level as the interest of other on-site event visitors. It must be assumed that all on-site visitors show a very high level of interest, while interest among members of the general target audience is mixed. As seen in section 4.2, the concept of involvement plays a very important role in affecting values and images that are transferred to the sponsor. This especially applies to highly involved fans who strongly identify with a team, an event, or an area of activity. It must be assumed that interest and involvement is very high among all attendees of events, which will result in a higher impact on brand metrics than within the general target audience.
- *Vividness of sponsorship experience:* The experience of a sponsorship experience is a major driver of how sponsorship is perceived and how it affects a sponsor's image.²⁹³ While the on-site audience can be addressed in multiple ways, including interactive and multi-sensory experiences,²⁹⁴ it is nearly impossible to create a comparable intensity of exposure in the general target audience. Media communication activities targeting the general target audience are generally limited to advertising and PR campaigns with a focus on transferring sponsorship messages rather than generating a sensory experiences. Therefore it is assumed that the potential to create a positive impact is higher among on-site visitors as compared to the general target audience.²⁹⁵

²⁹¹ In Switzerland, the target audience is much broader, with individual clients of all asset classes as well as SME and larger business clients.

²⁹² The share of on-site visitors with liquid assets exceeding USD 500'000 typically lies between 10% and 20%, with some higher percentages at selected golf tournaments and contemporary art events.

²⁹³ cf. Coppetti (2004)

²⁹⁴ For a good example of different on-site activation strategies see Coppetti (2004).

²⁹⁵ As with most of these observations, it must be assumed that the effect very much depends on how the sponsorship is activated. Every sponsor uses a unique approach to create awareness and image transfer among the different target audiences. On-site presence, for example, is sometimes limited to simple logo exposure, which may be comparable to a traditional advertising campaign among the general target audience. Traditionally, on-site activation is less intense at cultural events and more eye-catching with sports events.

Other influencing factors

There is a range of other promotional activities besides sponsorship that may have an impact on a firm's brand equity (e.g. advertising campaigns, press exposure generated with PR, direct mailings etc). In fact, sponsorship may only have a minor impact compared to some other brand promotional tools. However, it must be considered that nowadays sponsorship is often interlinked with other marketing activities so that it is hardly possible to isolate the effect of a single marketing tool.²⁹⁶ Communication follows an integrated marketing model, with advertising and PR activities being part of nearly every sponsorship property. Furthermore, there are also a number of aspects not related to marketing that will strongly affect a brand's brand equity, such as the existing knowledge of the firm and its products and services, former personal experiences, contacts with staff, referrals, cultural differences etc. In fact, there is a universe of possible factors that could be considered to explain a company's brand equity. Within this thesis, only a few of these will be observed. When looking at the sponsorship's impact on brand familiarity, other marketing activities will be also taken into consideration. Geographical region will be taken as a controlling variable as far as data from different regions are available.

7.2.2 Image transfer framework

Similarly as in the sponsorship-brand equity framework, another model was established that shows the assumed interrelations between the image of sponsorship areas, general image of sponsorship and the image of the sponsor. The development of the image transfer framework is theoretically founded by the approaches of Cornwell / Weeks / Roy (2005), Meenaghan (2004), Glogger (1999) and also takes into consideration empirical image transfer studies.²⁹⁷ While various studies have empirically measured the image transfer potential of a discrete sponsorship event, little is known about the differences between the image effect of multiple events from the sports as well as from the cultural sponsorship area. Furthermore, only few studies have empirically measured any image effect produced by the mere fact that a company is engaged in sponsorship, independent of the actual area or property.

²⁹⁶ cf. section 2.4

²⁹⁷ cf. section 5.2

The image transfer framework is built on three different dimensions:

- *Image of sponsorship areas*: The underlying assumption of the research questions is that the sponsored areas differentiate considerably in their image attributes, which will result in a transfer of different image attributes. This assumption is reflected by the firm's current practice to differentiate image attributes: For each sponsorship platform, five distinct sponsorship attributes were derived that should best combine standard brand attributes with the image of the property area and thereby reflect the value proposition that the firm communicates to its clients.²⁹⁸ While 'teamwork', for example, is a strong brand descriptor and is used as a standard value for orchestral music and sailing, it has not been applied to golf and contemporary art.
- *Image of sponsorship 'per se'*: Based on Meenaghan's observation of a generic goodwill creation through sponsorship,²⁹⁹ it is assumed that just the fact that a company is engaged in sponsorship already conveys a certain image to its target audience. Image transfer on a general level may be the biggest differentiator of sponsorship and advertising. While sponsorship is seen as a way of giving back to community, advertising is perceived as colder and more focused on transaction.³⁰⁰ However, Meenaghan does not give indications on what concrete image association the general goodwill creation may be linked with, nor how to operationalize the goodwill construct on a general level. Furthermore, it has not been investigated if there is any difference in the general image of sponsorship in cultural and sports areas. In this thesis, image generation in the area of sport and cultural sponsorship will be compared to each other to reflect the basic structure of the firm's sponsorship portfolio.
- *Image of sponsor*: The image of the sponsor is seen as a possible result based on the process of image transfer. As mentioned before, sponsorship may be only one out of many factors that have an influence on corporate image, with other factors such as advertising, products, pricing, or personal experience possibly having more impact. However, the residual effect of sponsorship can easily be isolated by comparing the company's image as seen by respondents who are sponsorship aware versus these who are not. Another way of measuring the image transfer is to ask respondents directly which attributes they think are affected.³⁰¹

The basic process of how the image of different sponsorships and the image of sponsorship per se are likely to affect the image of the sponsoring company is shown in figure 31:

²⁹⁸ The definition of the five values for each sponsorship platform will be explained in section 8.2.

²⁹⁹ cf. Meenaghan (2001b), section 4.2

³⁰⁰ cf. section 4.2

³⁰¹ For the operationalisation of image transfer see section 8.2.

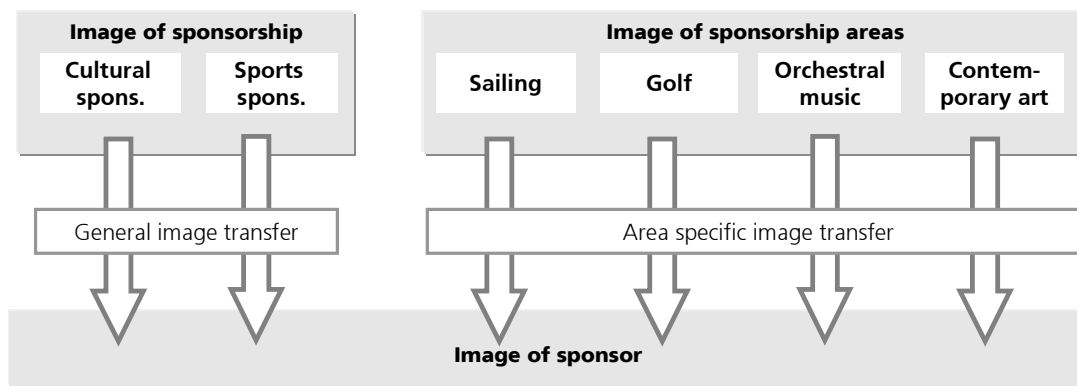


Figure 31: Image transfer framework

7.3. Hypotheses

7.3.1 Basic considerations regarding hypotheses development

Before outlining the actual hypotheses, this part will show some theoretical considerations regarding the development of hypotheses in empirical research.

A hypothesis can be defined as "an unproven statement of proposition about a factor or phenomenon that is of interest to the researcher. It may, for example, be a tentative statement about relationships between two or more variables as stipulated by the theoretical framework or the analytical model."³⁰² Hypotheses can be clearly differentiated from research questions. While research questions are interrogative and typically have an open form, hypotheses are more declarative and imply the opportunity of empirical testing. Hypotheses refer to concrete variables and are stating a positive or negative causal relationship between constructs used in the research questions. In this respect, they can be considered as a "possible answer to the research question".³⁰³

Hypotheses have a different position in a research process, depending on the methodological approach that is chosen. In deductive-nomological research, causal relationships are developed by using logical combinations of existing knowledge in a given topic area. Hypotheses are worded as all-embracing rules that claim to be applicable to everyone, everywhere at any time, regardless of the local and individual circumstances of an incident. Testing the hypothesis with a small sample leads to the approval or rejection of the hypothesis. However, since human behavior always depends on multiple influences and is likely to change over time, strictly deductive-nomological

³⁰² Malhotra (1999), p. 53

³⁰³ Malhotra (1999), p. 53

approaches are hardly ever applied to social science research. There are no universal explanations for human behavior that would apply to everybody at any time.³⁰⁴ Instead, social science research typically applies a more inductive-statistical approach. Inductive research creates hypotheses by looking at the relationships between observed constructs in a given sample, and uses statistical significance testing to assess if the relationships are likely to apply to a wider group.³⁰⁵ The role of the hypotheses is different in inductive research: Formally speaking, a hypothesis represents the starting point of deductive-nomological analysis, and it is a result of an inductive-statistical exploration.³⁰⁶ Inductive research is often considered as explorative in its approach (using qualitative research techniques) and inductive research as more analytical (using quantitative statistical research). However, the dichotomy of inductive and deductive research does not really reflect current research practice. Most social research studies are located somewhat in between the inductive and deductive paradigm, and incorporate both approaches to some extent.³⁰⁷

In line with the observations made above, the methodological approach of this thesis is not clearly attributable to just one of the two paradigms. On the one hand, it has an explorative scope to some extent, since the research questions have not been examined in a comparable way before and represent a sort of a 'black box'. Research questions are aimed to explore more aspects of this black box, thereby investigating aspects where no empirical knowledge is yet available. While hypotheses are indicating a possible causal relationship between variables, they have not been deducted from an overall theory of sponsorship effects (since no such theory exists) and should rather be considered as 'preliminary assumptions'.

The hypotheses as outlined below followed the criteria identified by Black,³⁰⁸ according to whom, hypotheses and research questions should be in accordance with the following rules:

- Stated clearly, thereby providing definitions of any technical terms and operational definitions of abstract variables. Vague and ambiguous definitions should be avoided.
- Testable or resolvable. Since hypotheses are predictors of the outcomes of the study, they must be empirically testable.

³⁰⁴ cf. Bortz (2005), p. 29

³⁰⁵ cf. Schnell / Hill / Esser (1995), p. 58

³⁰⁶ cf. Bortz / Döring (2005), p. 35.

³⁰⁷ A possible outcome of an empirical research could, for example, be that the hypothesis is partly approved, but that other factors need to be incorporated in the theoretical framework to improve its explanatory power. In this case, research has helped to revise the hypotheses, rather than approving or rejecting it. The fact that there are initial hypotheses in social research normally does not indicate that a strictly deductive approach is taken; the outline of hypotheses is more a matter of clearly wording the preliminary assumptions of the researcher (without claiming universality in its application). Such preliminary assumptions can be either based on theoretical considerations or on findings of former empirical research. In this respect, it should be mentioned that, in general, theories about social behavior are only of a very hypothetical manner in and of themselves and are often lacking in clearness and empirical background. Cf. Schnell / Hill / Esser (1999), p. 65-69

³⁰⁸ cf. Black (2002), p. 30

- Stated in terms of relationships between variables. Relationship should be stated clearly and indicate if there will be a positive or negative relation. However, relationships do not necessarily need to be causal.
- Limited in scope and realistic. The more global the statement of a relationship is, the less likely is it to be subject to empirical tests which could confirm or refute it.
- Consistent with most known facts. Existing literature should be referenced and can provide adequate justification.

All hypotheses stated below refer to constructs that will be defined in detail in chapter 8, and each of them will be empirically measured in chapter 9. The hypotheses always include the relationship between at least two variables, imply a direction within the relationship, and since they only focus on selected sponsorship and brand equity variables they are limited in scope. Furthermore, existing research is taken into consideration whenever possible, referring to the literature review in chapters 2-5.

7.3.2 Brand equity related hypotheses

The brand equity related hypotheses refer to research questions from section 7.1.2. Hypotheses on the impact of sponsorship are grouped into four areas that reflect the main brand equity dimensions of the sponsorship-brand equity framework: brand awareness, familiarity, favorability and consideration. The impact of sponsorship communication on the first two dimensions, brand awareness and familiarity, may be strongly dependent on the amount of advertising exposure that has been created around a sponsorship event as well as the relevance of the event to the local market. Since activation tactics and media exposure differ strongly among individual events and platforms, properties / platforms will not be compared to each other.³⁰⁹

The second two brand equity dimensions (brand favorability and consideration) refer to an emotional response to sponsorship exposure and may follow a different logic than cognitive metrics such as brand awareness and familiarity. It may be possible that response in the dimensions of favorability / consideration depends on the area of sponsorship, with some platforms possibly having a stronger impact on consumer perceptions than others.³¹⁰

³⁰⁹ Especially the impact on brand awareness is likely to be a function of the budget spent on sponsorship-related advertising in a local market. An increase in brand awareness is typically measured by comparing the awareness of a company before and after a major communications campaign. Chapter 8 will show that data on the impact on brand awareness are restricted to four sponsorship events only.

³¹⁰ It may be possible that, for instance, cultural sponsorship possibly has a more positive effect than sports sponsorship, or that sailing has a different effect than all the other platforms. However, since no such data is available, no well-founded hypotheses can be made at this stage.

On overview of the hypotheses is given in figure 32:

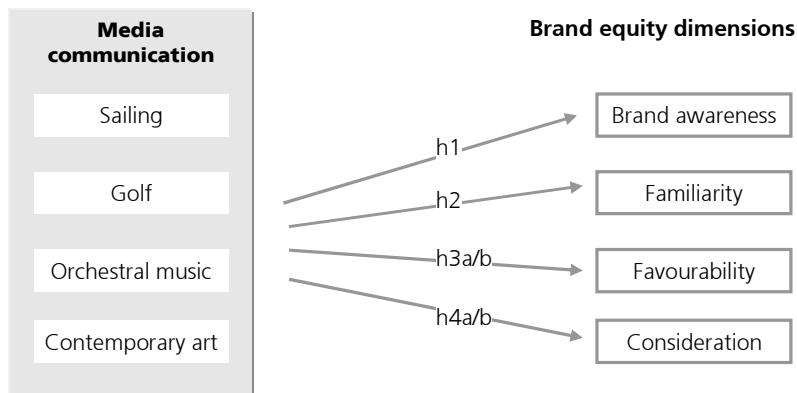


Figure 32: Brand equity related hypotheses within the general target audience

Considering the results of earlier empirical studies might give some insight into the direction of the different hypotheses. Unfortunately, it must be noticed that very little can be learned from earlier studies, since only a very limited number of studies have ever incorporated any brand equity related metrics, and most of the studies addressed a different type of audience. Referring to chapter 5, insights from current empirical studies can be summarized as following:

- Regarding the effect of sponsorship on creating *brand awareness* (*h1*) and increasing *familiarity* (*h2*), no studies are available. However, it must be assumed that sponsorship has a positive effect on these brand metrics, since they belong to the most common sponsorship objectives.
- Regarding the effect of sponsorship awareness on *brand favorability* (*h3a*) and *consideration* (*h4a*), studies in general suggest that there is a positive effect.³¹¹ However, it must be stated that most studies in this area consist of laboratory experiments on undergraduate students, and results may not be transferable to the target audience of affluent investors. Furthermore, studies generally include fairly generic attitudinal measures, while specific aspects of a sponsor's brand equity have received less attention. Since the creation of brand favorability and consideration is one of the most important objectives in sponsorship,³¹² a positive impact is assumed.
- Regarding the *differential effect of various sponsorship areas* on favorability and consideration (*h3b* and *h4b*), no empirical studies are available at all. Chapter 5 showed that most of the empirical works on sponsorship have focused on the sports area, and hardly anything is

³¹¹ cf. section 5.2

³¹² cf. section 2.4

known about the effect of cultural sponsorship. Although cultural sponsorship has received some more attention from researchers in the last few years, no studies are available that directly compare sports and cultural sponsorships. Therefore it is assumed that there is no difference in terms of attitudinal impact between the different sponsorship areas included in this thesis.

Hypotheses about the impact of sponsorship on brand equity in the general target audience (h1 – h4b) are shown in table 8:

Hypotheses of sponsorship impact on brand equity dimensions in the general target audience	
h1	Communication of major sponsorship events leads to increased brand awareness in the general target audience.
h2	Awareness of sponsorship leads to an increase in brand familiarity in the general target audience.
h3a	Awareness of sponsorship has a positive impact on the target audience's favorable feelings towards the company.
h3b	There is no difference in the effect on brand favorability (h3a) between individual sponsorship platforms (sailing, golf, orchestral music, contemporary art).
h4a	Awareness of sponsorship has a positive impact on how the general target would consider doing business with the sponsor.
h4b	There is no difference in the effect on brand consideration (h4a) between individual sponsorship platforms (sailing, golf, orchestral music, contemporary art).

Table 8: Hypotheses about the impact of sponsorship on brand equity in the general target audience

7.3.3 Image-transfer related hypotheses

Hypotheses regarding image transfer refer to the research questions as stated in section 7.1.3. The structure of the hypotheses reflect the image transfer framework, where two level of image transfer have been observed: generic image transfer (transfer of values just by the fact that a sponsor is engaged in sponsorship, independently of the area), and area-specific image transfer (transfer of image attributes from sponsorship properties to the sponsor). While area-specific image transfer is analyzed for each sponsorship platform separately, general image transfer is analyzed as a sum-total as well as in sports vs. cultural sponsorships.

Figure 33 gives an overview of hypotheses about image transfer:

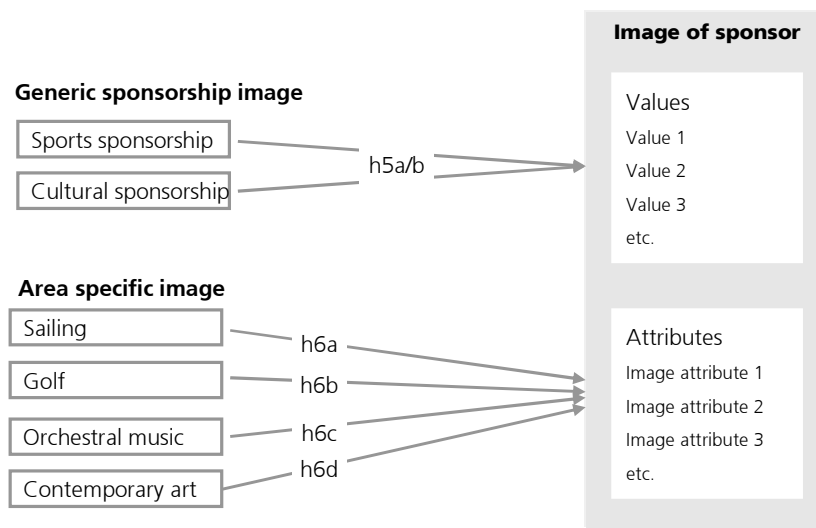


Figure 33: Hypotheses about image transfer

To justify the direction of the hypotheses, former empirical studies as well as theoretical models are considered.

- From a *theoretical point of view*, a range of approaches can be considered to explain the image transfer process. The most widely used of these are the schema theory and the theory of associate networks, both of which refer to cognitive information processing.³¹³ Such approaches make the assumption that the stronger an association between two otherwise unrelated objects, the more they are perceived as similar in terms of image attributes. Thus, a company that repeatedly establishes a link with an event through sponsorship will be perceived as having a similar image to this particular event among subjects exposed to the link.
- From an *empirical point of view*, the only studies that observed a range of image attributes are those of Gwinner / Eaton (1999) and Coppetti (2004).³¹⁴ Both studies measured image transfer by comparing the congruence of a sponsor's image with the image of a property among subjects who were prompted with sponsorship stimuli vs. subjects that were not. Both authors found a general convergence effect, thus shifting the sponsor's image towards the image of the sponsored event. However, both studies applied an experimental setting using convenience samples of undergraduate students, and they measured the image transfer right after the presentation of sponsorship stimuli. There are no studies that look at the convergence effect from a long-term view or among a broader target audience.

³¹³ cf. section 4.1

³¹⁴ cf. section 5.2.3

- The transfer of *generic values* has been observed in a few empirical studies. As shown in chapter 6, values strongly transferred through sponsorship are social responsibility and stability / success. However, no study has ever measured for any systematic difference between cultural and sports events. Therefore, it is assumed that the same generic values are transferred through sport and cultural sponsorship.

In light of both the theoretical and empirical discussions, it must be assumed that image transfer is actually happening through sponsorship on an area-specific level as well as on a general level. Image transfer on an area-specific level is sometimes measured as image convergence, meaning that the image of the sponsor is more similar to the image of the event among subjects who received some kind of sponsorship stimuli.

Hypotheses about the image transfer effect of sponsorship are shown in table 9:

Hypotheses of sponsorship's impact on the sponsor's brand image	
h5a	There is a generic transfer of image values through sponsorship.
h5b	The transfer of generic image values is identical for sports and cultural sponsorships.
h6a-h6d	Awareness of a sponsorship in a specific area (golf, sailing, orchestral music, contemporary art) leads to an image transfer of area specific attributes to the sponsor.

Table 9: Hypotheses about image transfer

8. Methodology

This chapter will give an overview of the methods used to collect and analyze empirical data. A series of different data sources will be considered, all of which were part of the company's sponsorship measurement activities in 2005 and 2006. A series of on-site surveys, pre-post studies as well as two large global studies were conducted among members of the general target audience. These data sources will be taken as a starting position for the empirical analysis and will be re-analyzed with regard to the hypotheses developed in the previous chapter.

The first section of chapter 8 will give some more background about the underlying research designs (target population, sampling, survey method) and will provide a short overview of all available data sources. The second section will then discuss the operationalization of all metrics that are included in the research (sponsorship awareness, brand awareness and familiarity, consideration, favorability and brand image). The third section will show the statistical procedures that were applied to measure the different hypotheses, with a focus on the different ways to measure the impact of sponsorship as well as the method to measure image transfer.

The structure of chapter 8 is shown in figure 34:

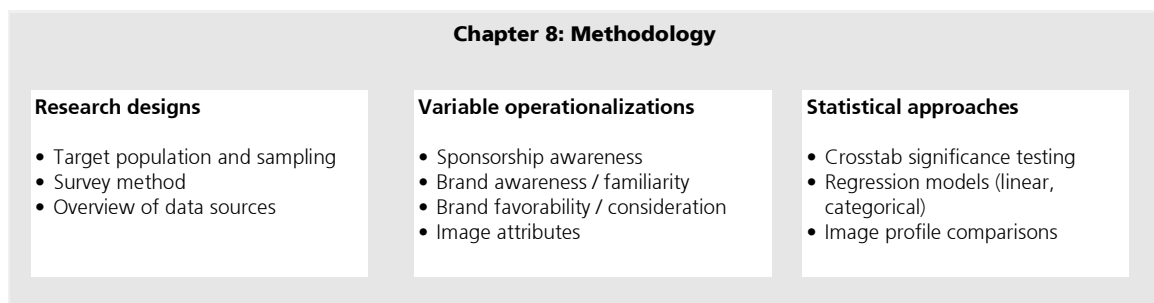


Figure 34: Structure of chapter 8

8.1. Research designs

The research designs of the data sets included in this thesis depend on the survey method and population that was targeted. However, within the sponsorship measurement activities, the attempt was made to ensure the highest possible comparability across different studies.³¹⁵ Comparability was achieved by surveying clearly defined target groups, applying the same sampling scheme and by including exactly the same metrics across the different studies. Below, some aspects of the different research designs will be displayed.

³¹⁵ cf. section 6.1

8.1.1 Target population and sampling

Referring to the conceptual frameworks developed in section 7.2, two different target audiences are distinguished: the general target audience and on-site event visitors. These two audiences do not only differ in demographical aspects, they also differ in terms of convenience for conducting research. While it is fairly straightforward to conduct surveys among on-site visitors, it is much harder to approach the firm's general target audience. The main obstacle therein is the large amount of liquid assets required to belong to the firm's target group, which reduces the target population dramatically. Furthermore, a different methodology must be applied: While the on-site target audience can easily be interviewed face-to-face directly at the event, the general target audience is typically interviewed using telephone surveys.

Below, the definitions of the two sample groups as well as the implications for research methodology are shown in some more detail.

The general target audience

Definition: The target population called 'the general target audience' includes all people who are potential clients of wealth management services.³¹⁶ Wealth management's target audience is also sometimes called 'private investors', 'core affluent', 'high net worth individuals (HNWI)' etc., depending on the author.

In order to fall into the general target audience and be suitable for research purposes, a series of criteria must be fulfilled. Respondents must:

- have more than USD 500'000 in liquid assets;³¹⁷
- have a relationship with at least one financial services provider that provides a broad range of wealth management services;
- be involved in financial decision-making in the household, either as the main or a joint decision maker;
- be over 18 years of age.

The first criteria (USD 500'000 in liquid assets) is by far the most limiting, reducing the number of individuals that are appropriate for such research to a very large extent.³¹⁸ Due to the limited size of

³¹⁶ Given the fact that the observed firm is not only a wealth management provider, but also offers retail banking as well as investment banking and asset management services, the overall target audience of the company would actually be much broader. In Switzerland, the bank has a huge retail business and therefore nearly everyone living in Switzerland is a potential client. However, the retail target audience is restricted to Switzerland only since there is no offering of retail products in any other country.

³¹⁷ The term 'liquid assets' is defined as any assets that are easily disposable to the household, such as cash, stocks, bonds, discretionary mandates or similar investments. Real estate, company pension plans and life insurance policies are not considered as 'liquid' and are therefore excluded.

this target audience, even large market research agencies often have problems in conducting such studies or are not even able to do so. Costs for conducting research among HNWI's are very high, thus only relatively small sample sizes are targeted (typically 100-200 respondents per country).

Sampling procedure: Since there is no clear indication about the overall size and composition of the general target audience in any particular country, it is difficult to draw a representative sample. The traditional approach of simply contacting a random sample of households would be very ineffective and would lead to high research costs. In general, market research agencies either buy lists of potential wealth management clients from external address brokers, or they base their sample on respondents of former research among this audience. Sometimes, research agencies also take a geo-demographical approach, in which they conduct telephone interviews only with residents of areas with a significant proportion of affluent households. However, the exact method for recruiting HNWI respondents is often kept secret by market research agencies.

On-site event visitors

Definition: The target audience for on-site research consists of public visitors who are physically attending the event during the regular opening hours. Although this definition sounds very straightforward, there are some exceptions which may be worth mentioning:

- Visitors who have some professional relationship to the event or are involved in the organization in any way are excluded (e.g. VIP's, event staff, catering staff etc.).
- Guests who are invited to the sponsor's hospitality event.

In most cases these exceptions only make a small number of the event visitors and do not have any influence the recruitment of respondents. However, sometimes it might be difficult to find the right audience. This is especially the case when the sponsor invites a large number of guests to hospitality events, or when hospitality events make up a large part of the overall event. For example, in some concerts of the company-owned symphony orchestra, about half of the concert hall was reserved for clients only. In order not to include any invited guests, all hospitality attendees were screened out of the survey.

Sampling procedure: On-site surveys generally are based on a sample of 200-300 interviews per event. Respondents are selected randomly from visitors passing by the interviewer areas. The fieldwork is conducted by professional market research agencies, who use approved procedures to

³¹⁸ Exact figures about the number of households falling into this asset range are not available. According to a report by Merrill Lynch / Cap Gemini, the overall number of HNWI population (holding USD 1 million in financial assets) was 8.7 million worldwide (including 2.5 million in both North America and Europe and 2.1 million in Asia / Pacific). It must be assumed that in most developed countries, no more than 5% of the general population fall into the general target audience. Cf. Merrill Lynch / Cap Gemini (2006)

guarantee the representativeness of the sample. For larger multi-day events (e.g. golf and sailing tournaments, art fairs), conducting 200-300 interviews can easily be done. However, in some cases sample sizes had to be adapted to the local circumstances of individual events. In the case of orchestral music concerts for example, where interview time is limited to a very short period (typically before the concert start and in the concert break), a lower number of respondents can be surveyed.

8.1.2 Survey method

Two different survey methods are used: Computer-assisted telephone interviews (CATI) and face-to-face interviews. Typically, surveys among the general target audience are conducted via telephone, and on-site surveys take a face-to-face approach. Below, some important aspects of the different survey methods are shown.

Computer-assisted telephone interviews (CATI)

CATI methodology is used for all studies that address the general target group. All telephone studies follow the same process: Respondents are randomly selected and dialed up by the market research agency. If respondents accept to participate in the survey, they first have to go through a screening questionnaire. If respondents do not fit into all the screener criteria the interview is terminated. The main interview is conducted either immediately after the screening or at an agreed date and time within the next few days, according to the respondent's wish. When the interview is finished, respondents are offered some kind of incentive, typically in the form of a cash payment or a donation to charitable organizations.

CATI fieldwork for sponsorship measurement studies is only conducted by renowned market research institutes who have in-depth experience in conducting large global studies among the firm's high-level target audience.

Face-to-face interviews (on-site intercepts)

On-site intercepts are in general less complex to conduct and also less costly than telephone interviews. A face-to face approach is chosen for all on-site studies, with respondents being interviewed directly during the course of the event. All on-site intercepts follow the same process: Interviewers of market research agencies are placed in different locations of the event. Locations are chosen according to a set of criteria. For example, they have to be accessible to the broad public and they have to be out of sight of any visible signs of sponsorship. The interviewers are instructed

to select a sample of visitors that is representative in terms of age and gender. Interviewers ask the selected visitors if they are willing to conduct an interview, and if they respond positively, the interview is conducted immediately afterwards. Typically an interview lasts between 5-10 minutes.

While questionnaire length is not a crucial issue for most events, at orchestral music concerts a different methodological approach needs to be taken. Given the constraints in terms of time and space, it is not possible to conduct interviews directly at the concert hall. Respondents are only asked if they are willing to participate in the survey and asked to provide their telephone number. The full interview is then conducted one to three days later by telephone at an agreed time and date, using CATI methodology.

8.1.3 Overview of data sources

The empirical analysis in chapter 9 will consider a set of different data sources that are available from the firm's sponsorship measurement activities in 2005 and 2006. The data sources can be differentiated according to their target audience, methodology, and number of studies/waves. Table 10 shows an overview of selected aspects of the data sources:

Data source	Target audience	Methodology	No. of studies /waves	Region
Global sponsorship study	General target audience	CATI interviews	1 wave	Global
Brand Equity Monitor (BEM)	General target audience	CATI interviews	2 waves in 2005 1 wave in 2006	Global
Pre-post studies	General target audience	CATI interviews	4 studies, each in 2 waves	Regional
On-site surveys	On-site event visitors	Face-to-face interviews	11 different studies	Local

Table 10: Overview of data sources

In the following sections, each data source will be shown in further detail. Data sources will be characterized using the same structure: Firstly, the objective of the study will be shortly outlined; secondly, details about survey method and fieldwork will be provided; thirdly, the content of the study will be specified.

Global sponsorship study

Objective: The objective of the global sponsorship study was to measure general attitudes of the general target audience towards financial institution involvement in sponsorships overall and

towards their involvement in specific categories of sponsorship. Furthermore, it aimed to assess which sets of image attributes are evoked by each category.

Survey method and fieldwork: The global sponsorship study was a telephone survey among the firm's the general target audience. Sampling was based on previous respondents from the Brand Equity Monitor (the sample consisted of respondents who had already responded to earlier BEM waves and who had agreed to be re-contacted for further studies). The global sponsorship survey was conducted in 11 countries worldwide (the US, 6 European countries and 4 Asian) with a sample of $n=100$ in each country. For key markets, a sample of $n=200$ was chosen. The overall sample totaled 1300 respondents.

Content: Since the global sponsorship study aimed to track basic attitudes towards sponsorship, no specific brand metrics were included. Instead, a set of image attributes were asked about for both the company and its different sponsorship areas. A sponsorship awareness question was asked in order to compare respondents who were sponsorship aware and those who were not. Additionally, a range of questions were included that aimed to capture the generic images conveyed by sport and cultural sponsorships.

Brand Equity Monitor (BEM)

Objective: The brand equity monitor was a global survey among members of the general target audience that aimed to track the development of the firm's brand equity over a longer time period. The study was initiated right after the introduction of the single brand strategy and was repeated yearly since then. Additionally, the brand equity monitor has been used to track the awareness of the company's sponsorship engagements.

Survey method and fieldwork: The brand equity monitor was designed as a telephone survey (CATI) among members of the general target audience. It typically includes between 10 and 20 countries with 100 interviews per country. In 2005/2006, three BEM waves were conducted that have been included in the analysis:

- Wave 1 ($n=1300$, 7 countries, fieldwork January 05)
- Wave 2 ($n=1800$, 13 countries, fieldwork May / June 05)
- Wave 3 ($n=2100$, 16 countries, fieldwork May / June 06)

Content: The BEM includes all brand metrics that are required for brand management purposes. In the empirical analysis, the following metrics are observed:

- Sponsorship awareness of key properties in each region (aided and unaided)

- Brand awareness and familiarity
- Brand consideration and favorability
- Awareness of other promotional activities (advertising, PR, contact calls, word of mouth etc.)

Pre-post surveys

Objective: Pre-post surveys aim to track the development of sponsorship awareness and brand metrics in a specific area over a certain time period. They generally take place before and after large events where the firm allocates a considerable activation budget to communicate the partnership. Pre-post surveys give an indication if a particular sponsorship or event has had an effect on the awareness of the event and its sponsors, and if this has led to an increase in key brand metrics.

Survey method and fieldwork: Pre-post studies are designed as CATI surveys of 15-20 minutes length. Sample size is typically limited to about 300 interviews (150 pre and 150 post). The pre-wave ends before the communication campaign begins, and the post-wave starts right after the main event when post-event communication abates. Pre-post studies have been conducted around four major sponsorships:

- An art museum in the US (n=300, fieldwork December 04 - May 05)
- A golf tournament in the US (n=350, fieldwork March 05 - April 05)
- An art museum in Europe (n=302, fieldwork May 06 - July 06)
- A golf tournament in APAC (n=320, fieldwork October 05 - December 05)

Content: Pre-post studies include the following metrics:

- Sponsorship awareness (aided and unaided)
- Brand awareness and familiarity
- Brand consideration and favorability
- Brand attributes and image

Furthermore, pre-post studies represent a good opportunity to gather more insight into the attitudes of the general target group about a specific topic area, or to get more information about interest and participation in specific events among members of the general target audience. Therefore, these studies are very much tailored to the requirements of each sponsorship property. Standardized metrics generally only comprise a small part of the overall questionnaire.

On-site surveys

Objective: The objective of on-site surveys is to measure awareness of sponsors, brand perception and the impact of sponsorship among on-site event visitors. Furthermore, on-site surveys provide interesting insight into the demographic structure of spectators as well as their level of liquid assets.

Survey method and fieldwork: On-site surveys are conducted for most major sponsorships across all platforms. The decision of whether an on-site survey is conducted or not depends on the individual circumstances of an event. Fieldwork is conducted by professional market research institutes, and experienced interviewers are used to conduct the face-to-face surveys. In 2005 and 2006, on-site surveys were conducted for:

- Golf tournament in APAC (n=200, December 05)
- Golf tournament in APAC (n=207, May 2006)
- Golf tournament in Europe (n=223, July 05)
- Sailing regatta in Europe (n=178, August 05)
- Music festival in Europe (n=130, Jul / August 05)
- Symphony orchestra in Europe (n=158, June 05)
- Symphony orchestra in Europe (n=151, December 05)
- Company-owned symphony Orchestra (n=84, November 05)
- Symphony orchestra in US (n=211, January 06)
- Art fair Europe (n=255, June 06)
- Art fair US (n=259, December 06)

Content

On-site surveys typically include the following metrics:

- Sponsorship awareness (aided and unaided)
- Brand awareness and familiarity
- Brand consideration and favorability
- Impact of sponsorship on overall feelings about sponsors
- Image transfer

Overview of studies

Below, a broad overview is given about the content that is obtained from each data source. It is shown that across the studies different metrics are included, but within any single type of study (e.g. on-site surveys) the same metrics are consistently used.

The BEM allows for an analysis of brand familiarity, brand favorability and brand consideration. Since the study not only covers sponsorship awareness, but also awareness of other communication activities, the Brand Equity Monitor allows the building of multivariate statistical modeling to explain brand equity by looking at a range of different marketing channels. The global sponsorship study does not include any brand related metrics, but it covers the field of sponsorship perception in general and also lets one derive findings about the generic image transfer. With the pre-post-surveys, the focus is on comparing how the brand performs over the duration of a large sponsorship activation campaign, thus all the relevant brand metrics are included. The on-site surveys typically contain attribute-based image transfer.

An overview of the coverage of different metrics is given in figure 35

	Brand Equity Monitor	Global sponsorship study	Pre - post surveys	On-site surveys
Brand Equity				
Brand awareness	-	-	X	-
Brand familiarity	X	-	X	-
Brand consideration	X	-	X	-
Brand favorability	X	-		-
Image transfer				
General image transfer	-	X	-	-
Area-specific image transfer	-		-	X

Figure 35: Overview of selected studies

8.2. Variable operationalization

In order to assess the validity of a hypothesis it is necessary to develop measures of the concepts that are observed. This process is often referred to as 'operationalization', and it basically consists of

the allocation of observable variables to theoretical constructs.³¹⁹ In effect, what is happening is the translation of the concepts into variables and attributes on which relevant objects differ.³²⁰

The term 'operationalization' was first used by Bridgman (1927), who stated that even the most basic concepts in science, like 'length' or 'duration', are solely defined through the operations by which they are measured. The idea of formally operationalizing scientific metrics was first used in physics and was enlarged to include social sciences in the 1950s.³²¹ Since social sciences generally deal with hypothetical constructs that are not physically measurable, the concept of operationalization is crucial for any empirical measuring.

This section shows how the main constructs included in empirical testing are formally defined and measured. Operationalizations are shown on three different levels: sponsorship awareness, brand equity, and brand image.

8.2.1 Sponsorship awareness

There are many ways to measure the respondents' awareness of sponsors and sponsorships. A first distinction can be made between *aided* and *unaided* recall measures. While unaided recall measures what sponsors the respondents can retrieve from memory without giving any cues, aided recall refers to a list of sponsors which are presented to respondents.

Tripodi et al (2003) analyzed the different ways sponsorship awareness had been measured in former empirical studies. They found four different ways of doing so: with an event sponsorship prompt ('When you think of event X, which sponsors come to your mind?'), a brand sponsorship prompt ('When you think of brand X, what sponsorships come to your mind?'), a category sponsorship prompt ('When you think of category X, e.g. banks, what sponsorships come to your mind?') and a brand recognition prompt ('I am going to tell you some of brand X's sponsorships, please tell me whether you are aware of them or not').³²² They tested these prompts against each other, and the results of their experiment suggest that the level of sponsorship awareness mainly depends on which sponsorship prompt was used.³²³

Within the wealth management company's sponsorship measurement activities, sponsorship awareness is defined on two levels: unaided and aided. All four methods of measuring sponsorship awareness as identified by Tripodi et al (2003) were used.

³¹⁹ cf. Schnell / Hill / Esser (1999), p. 10

³²⁰ cf. Bryman / Cramer (2004), p. 16

³²¹ cf. Bortz / Döring (2005, p. 66)

³²² cf. Tripodi et al (2003), p. 445

³²³ Tripodi et al. (2003) analyzed the sponsorship recall based on brand, category and event prompts. It turned out that the brand sponsorship prompt lead to higher awareness results than the event and category sponsorship prompts. Cf. Tripodi et al. (2003), p. 448

Unaided sponsorship awareness

Unaided sponsorship testing was slightly different for surveys among members of the general target audience versus on-site event visitors, and question wordings depended on the set-up of each individual study. For on-site and pre-post surveys, an event sponsorship prompt was used, whereas for the brand equity monitor, sponsorship awareness was measured using a brand prompt:

- On-site surveys: *"This event is supported by a number of sponsors. Which firms or brands do you remember as a sponsor of this event?"*
- Pre-post surveys: *"As you may know, many companies are involved as sponsors of event X. Can you think of any companies that are involved in the sponsorship of event X?"*
- Brand equity monitor: *"Are you aware of any specific events or organizations sponsored by company X?"*

Aided sponsorship awareness

Aided sponsorship awareness is tested in all the different studies. While aided awareness is specific to one distinct event for on-site and pre-post surveys, it covers multiple events in the brand equity monitor. During on-site surveys, the aided awareness question only covers the main sponsor, while in pre-post surveys various potential sponsors are included.³²⁴ Again, the wording differs slightly across the studies, since questions always have to fit the overall questionnaire flow and be suited to the interview situation. In all three studies, a similar brand recognition prompt is used:

- On-site surveys: *"Were you aware that company X is a sponsor of this event?"*
- Pre-post surveys: *"I am going to mention a few companies, and I want you to answer 'yes' or 'no' if you think they are involved with event X in any way."*
- Brand equity monitor: *"Are you aware that company X is a sponsor of the following events or organizations?"*

Aided sponsorship awareness is usually filtered when respondents have already mentioned the company (for on-site and pre-post surveys) or the event (for the brand equity monitor) in the unaided awareness question.

³²⁴ This is simply due to the amount of time available. While during on-site surveys (typically done face-to-face), time is usually short and one questionnaire should not last longer than 5 minutes. With pre-post surveys, which are usually done by telephone (CATI), the time taken can be up to 20 minutes, which allows the inclusion of more questions and probing for more sponsors.

Total sponsorship awareness

To come up with a total sponsorship awareness metric, unaided and aided awareness are added. However, attention needs to be paid to the filters. since the aided awareness question is only asked in case the company was not already mentioned without the respondent having been aided. If, for example, 50% of the respondents are able to name the company as a sponsor an unaided base, and among the rest again 50% recognize the sponsor when being prompted, total sponsorship awareness is at 75% (50% unaided plus 25% aided). Figure 36 shows the different sponsorship awareness metrics in a graphical form:

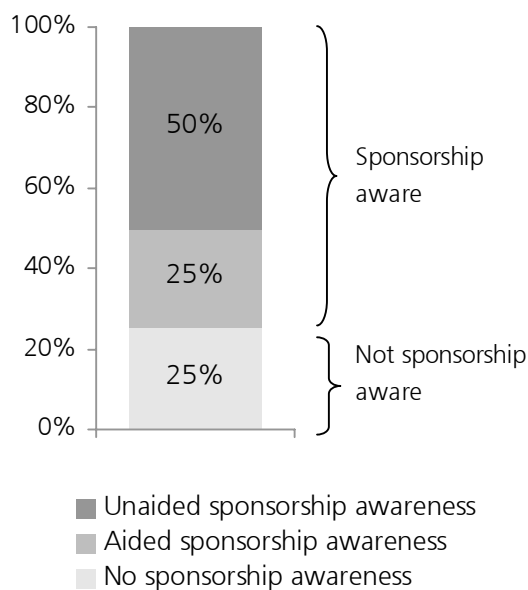


Figure 36: Measurement of sponsorship awareness

8.2.2 Brand awareness and familiarity

The theoretical foundations of brand awareness and familiarity go back to the works of Keller (2003) and Aaker (1991), which were shown in section 6.3. Within the brand equity measurement framework, the wealth management company decided to use these two metrics as their primary scores to define brand performance over time and in comparison to its competitors in a given country or area. Since these are the key metrics against which branding objectives are measured, it was attempted to use the same wording across the different studies.

Brand awareness

Similarly to sponsorship awareness, brand awareness can also be divided into an aided and an unaided metric level. According to Aaker (1991), even more dimensions can be distinguished: *unawareness of brand* (the respondent has never heard of the brand before), *brand recognition* (respondent recalls the name when being prompted), *brand recall* (respondents can name the brand name in a specific product or service class without being prompted), and *top-of-mind awareness* (respondents name the brand on their own in the first place).³²⁵ The wealth management company's approach to brand awareness basically follows Aaker's definitions, and uses the following wording:

- Top-of mind-awareness: "*When you think about financial services firms, and not necessarily just those that you use or those that are based in your country, what one firm comes to mind first?*"
- Unaided awareness: This includes the top-of-mind awareness as well as that elicited by the following question: "*And what other financial services firms come to mind?*"³²⁶
- Aided brand awareness: "*Which of the following financial services firms have you heard of?*"³²⁷
- Brand unawareness: This metric is calculated as all respondents who did not recall the brand on an unaided basis or did not recognize it when being prompted

Total brand awareness is calculated by adding up top-of-mind awareness, unaided awareness and aided awareness. Figure 37 gives an overview of the different awareness metrics as used in the company's regular brand equity measurement:

³²⁵ See more details about Aaker's definitions in section 6.3.

³²⁶ After this question, a list with brands is read out. This metric is comparable to the metric 'brand recall' by Aaker (1991, p. 61). Furthermore, the company occasionally expands unaided awareness to other questions when asking about specific communications activities, such as the recall of advertising campaigns where the brand is named without being prompted.

³²⁷ This corresponds to the metric 'brand recognition' as defined by Aaker (1991), p. 61.

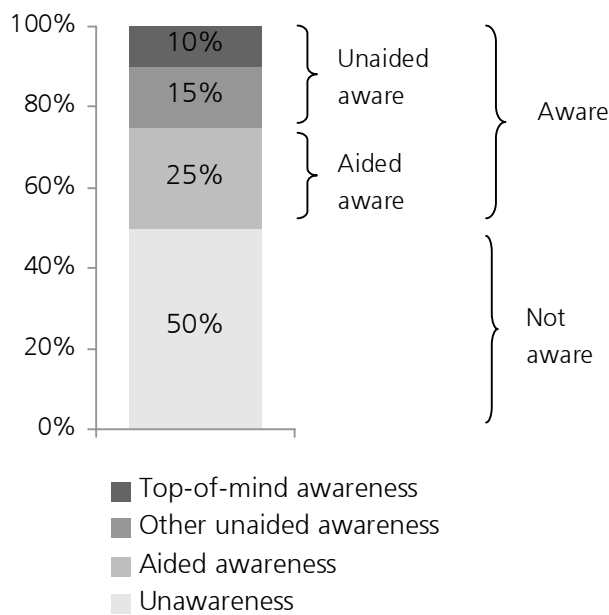


Figure 37: Measurement of brand awareness

Brand familiarity

In markets where the brand has already a high presence, brand awareness is not really useful as a performance indicator, since a very high share of the target audience is aware of the company and awareness is very unlikely to change significantly over time.³²⁸ In such situations, brand familiarity is rather used as a key performance indicator. Brand familiarity can be linked to the concept of brand salience as introduced by Keller (2001):³²⁹ It goes beyond pure awareness by measuring the amount of information that a respondent has about the company. While the objective amount of information is hard to assess, brand familiarity measures the perceived knowledge that a respondent believes to have.³³⁰

The definition of the brand familiarity metric goes back to the time when the company introduced its one-brand strategy and had to find a common indicator to measure its success of the new brand in new markets. A special study was done only to define the wording of the familiarity metric.

³²⁸ This applies especially when a brand has a high market share in a certain industry or has a long history in a given area. Top global brands, such as VISA or McDonalds tend to have a brand awareness of 90-100% among nearly all of their target groups. In Switzerland, which is the company's home market and the company has a long history, awareness levels are constantly at 95%-100%, thus awareness can not be considered a key performance indicator.

³²⁹ See more details with regard to Keller's model in section 6.3.

³³⁰ This is important especially when comparing industry experts to non-experts: While an expert might have a very high degree of knowledge about a company, he might consider himself as being not very familiar with it because he perhaps is even more knowledgeable about competitors. At the same time, an average consumer might consider himself as being very familiar, without actually having a lot of information.

Without going too much into detail on this study, it can be mentioned that the wording of the question was an iterative process that included internal branding specialists as well as external research and consulting agencies. In the end, the company came up with a definition that divides brand familiarity into four dimensions: very familiar, somewhat familiar, not very familiar and not at all familiar. The exact wording of the familiarity question is shown below:

"Based on everything you have heard, read or know about the company, how familiar are you with company X?"

- *Very familiar, meaning you know a lot about the firm, its reputation and its products and services.*
- *Somewhat familiar, meaning you know a little about their reputation, products and services.*
- *Not very familiar, meaning you just know their name.*
- *Not at all familiar, meaning you have never heard the name before."*

It must be mentioned that normally only the first 3 categories are asked to respondents who are aware of the brand (see previous section). Respondents who are unaware are not shown the familiarity question at all, and they are merged into the fourth category ('not at all familiar'). Furthermore, an overall familiarity metric is calculated by summing up 'very familiar' and 'somewhat familiar'. This results in the familiarity metric that is finally being used as a key performance indicator across time and geographical regions.

An overview of the brand familiarity metric, and how it combines with brand awareness, is shown in figure 38.

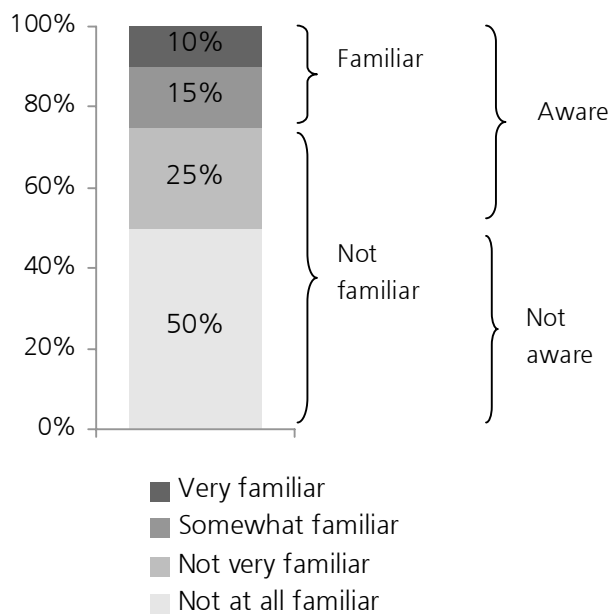


Figure 38: Measurement of brand familiarity

8.2.3 Brand consideration and favorability

A variety of different metrics can be found when attempting to define emotional closeness to a brand.³³¹ The examined wealth management company defined its brand assessment metrics without referencing any theoretical approaches. However, it plays an important role in the marketing funnel that the company has developed for its brand equity measurement.³³² Referring to the marketing funnel, two specific aspects were defined to be part of the company's key brand indicators: the extent to which consumers would consider having a business relationship with the company (='brand consideration'), and the level to which they feel favorable about the brand (='brand favorability'). Combined with brand awareness and familiarity, these two metrics build the core of the company's brand equity.

³³¹ See e.g. Keller (1993), Keller (2003) and Aaker (1991).

³³² The marketing funnel consist of four stages: brand awareness, brand familiarity, brand consideration and brand preference, cf. section 6.3.

Brand consideration

Brand consideration measures to which extent a potential customer feels he is likely to use the brand.³³³ Brand consideration is seen as a proxy for estimating how many new clients or net new money inflows are expected in the future among prospects. The origins of the consideration question go back to the marketing funnel, which assumes that consumers go through a stage of awareness and familiarity first and then enter the area of consideration. It is assumed that only a consumer who is very or somewhat familiar with the company has the potential to reach a certain brand consideration, and only a consumer who show a high brand consideration are likely to turn into new clients.

The definition of the consideration metric was made after the implementation of the one-brand strategy when the company introduced a holistic brand equity measurement system for the first time. Similar to the familiarity metric, brand consideration was also developed using specially designed research and was finally worked out iteratively with the involvement of research and brand consulting agencies. The consideration metric contains four different levels: respondents who would not consider the company, respondents who would consider it (but not strongly), respondents who name the company as one of their preferred firms, and respondents for whom it is the only firm they use. Below is the detailed wording of the consideration metric:

"Which statement best describes best what you think about company X?

- *This is the only financial services firm I would ever consider.*
- *This is one of my preferred financial services firms.*
- *It is not my preferred firm, but I would consider it.*
- *I would never consider using this firm."*

Again, attention needs to be paid to the filtering. Since respondents who only know the company's name and have no further knowledge about it would probably not be able to come up with a meaningful answer to this question, consideration is linked to familiarity: only respondents who are very or somewhat familiar will be asked about their brand consideration.

As was the case with regards to familiarity, there was a need for the company to come up with only one single value for overall consideration instead of four distinct values. Thus, an overall consideration metric is calculated by adding up the first three categories. This includes all

³³³ Brand consideration is asked of clients and non-clients. Although for existing clients the consideration metric might not be appropriate, it still makes sense in the wealth management industry. In terms of asset allocation, most affluent clients do not have all of their wealth with one wealth management provider, but usually spread it across 3-4 providers. Thus, in the case of an individual who has 10% of his overall wealth with company X, he might consider expanding this company's share of his wallet in the future.

respondents who basically would consider doing business with the firm. The figure below gives an overview about how consideration is calculated:

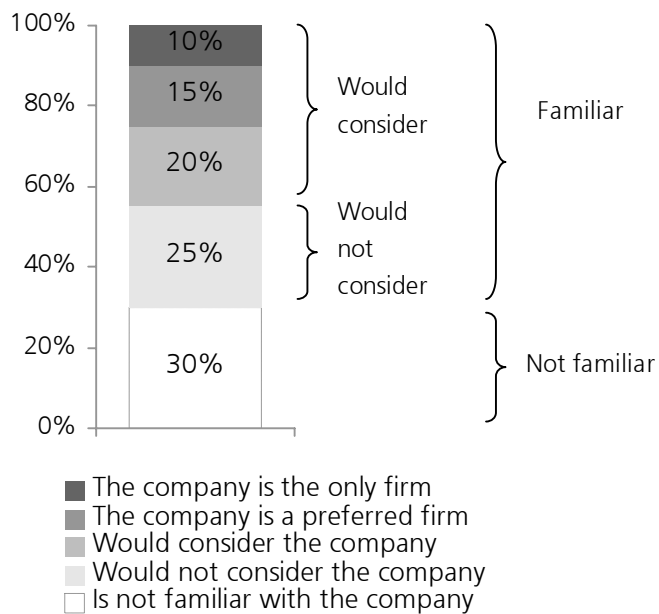


Figure 39: Measurement of brand consideration

Brand favorability

Next to consideration, favorability is a second metric that measures how emotionally close consumers are to the brand. Again, favorability is part of the marketing funnel and is seen as a key performance indicator of the brand. In many respects, it is on a similar level as consideration: It is assumed that respondents must be at least familiar with the company in order to be able to assess how favorably they think about the firm. The higher the favorability, the higher the chance that the respondent might turn into a new client in the future.

Favorability is measured using a 9-point scale, ranging from 1 (not at all favorable) to 9 (very favorable). The question is worded in the following way:

"Please tell me how favorably you feel based on your experience or anything you've seen, read or heard about company X. Please use a scale from 1 to 9, where 1 means not at all favorable, and 9 means extremely favorable."

*Not at all favorable**Very favorable*

1 2 3 4 5 6 7 8 9

□ □ □ □ □ □ □ □ □

In order to come up with an overall favorability metric, there are two ways to compute a single value: Either the arithmetical mean is computed, or the top three boxes are added. The following chart shows the two metrics that are used:

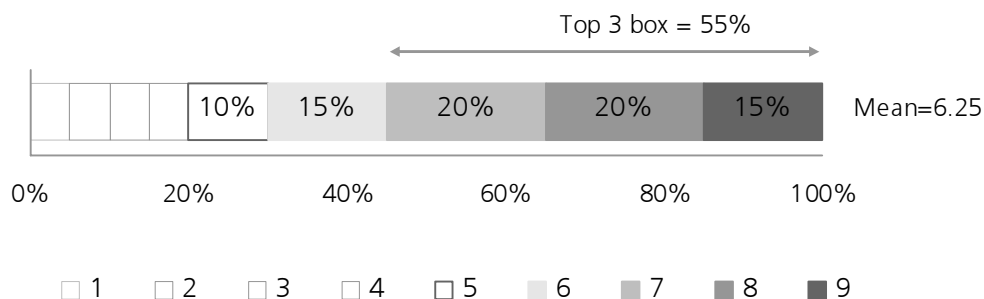


Figure 40: Measurement of brand favorability

8.2.4 Image attributes and image transfer

Image attributes

After having set the key brand indicators which serve as the general benchmarks that communications activities are measured against, the company had to come up with specific images that should be transmitted by its sponsorship programs. The problem was thereby to incorporate the general branding approach (which had been primary developed for advertising) to the sponsorship area, where other attributes might be of relevance. It was agreed that the sponsorship activities should aim to increase brand equity as outlined in the previous chapter and drive pre-defined brand descriptors, but the question remained: Which were the best image attributes to do so?

For this reason, a special framework was worked out that matched the general branding approach with the different sponsorship platforms. It was taken into consideration that sponsorship provides a way of communicating the brand in a way that other marketing activities may not as effectively achieve. Sponsorship for example can add depth and breadth to an advertising campaign, which confirms additional credibility. Sponsorship can also allow the company to communicate elements

of the brand without requiring supporting proof points, and it can help to form a much more emotional link to the brand.

Thus, it was attempted to match pre-existing brand values with the image of the sponsorship properties in a meaningful way. The outcome of this project was a list with five attributes for each area which then were used as leading image attributes for sponsorship communication campaigns. Below, the development of the image associations is shown without any further details. There are always three steps involved: First, the general brand messages of the company are taken as a starting point; second, they are extended in order to have a list with associations that are related to the brand and the sponsorship area. Third, the shared associations are prioritized according to the five most relevant attributes.

Image attributes for sailing:



Image attributes for orchestral music

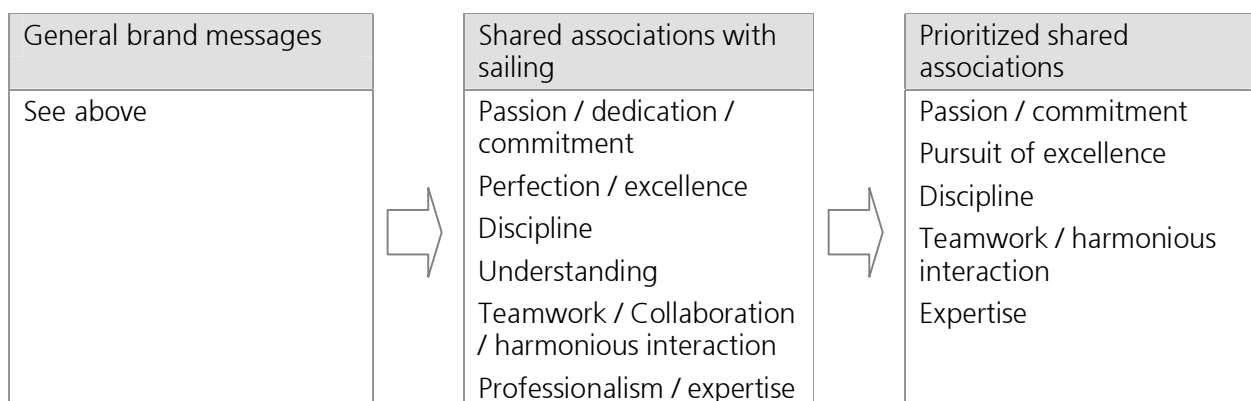


Image attributes for golf

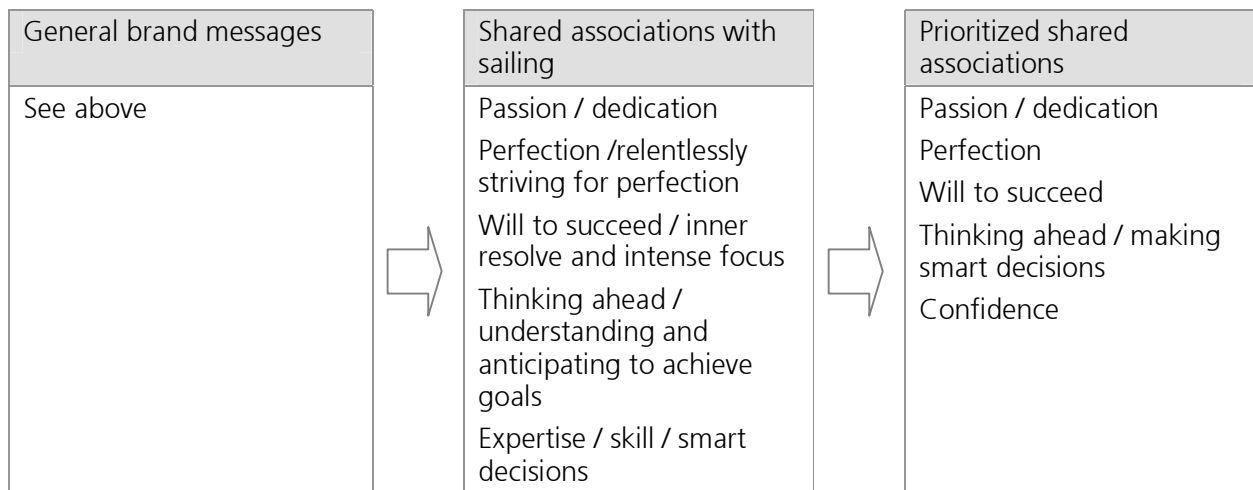


Image attributes for contemporary art

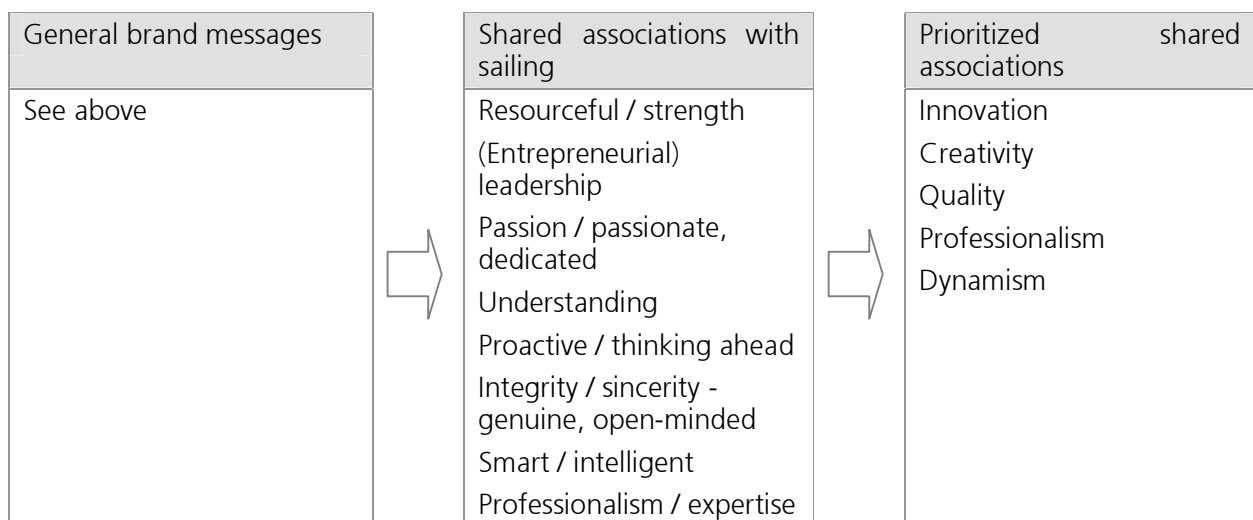


Figure 41: Image attributes of sponsorship areas

Image transfer

After having defined the key attributes for each sponsorship area, it had to be determined how to actually measure the transfer of these attributes to the company. It was decided that attribute-

based image transfer will only be included in on-site surveys and that it should be measured using a direct image transfer question. The exact wording of the question is shown below:³³⁴

"Does the partnership with event X put the company in a different light for you? I am going to read out some attributes. As a result of the company's sponsoring activity, please tell me if these attributed apply to the company more strongly, to the same degree or more weakly.

- *Attribute 1 (more strongly, to the same degree, more weakly)*
- *Attribute 2 (more strongly, to the same degree, more weakly)*
- *Attribute 3 (more strongly, to the same degree, more weakly)*
- *Etc."*

The level of image transfer is measured as the percentage of respondents who think a given attribute applies 'more strongly' due to the sponsorship. The higher the percentage of people who say that a given attribute applies more strongly, the higher the amount of image transfer for that attribute. The chart below gives an overview about the way image transfer is measured:

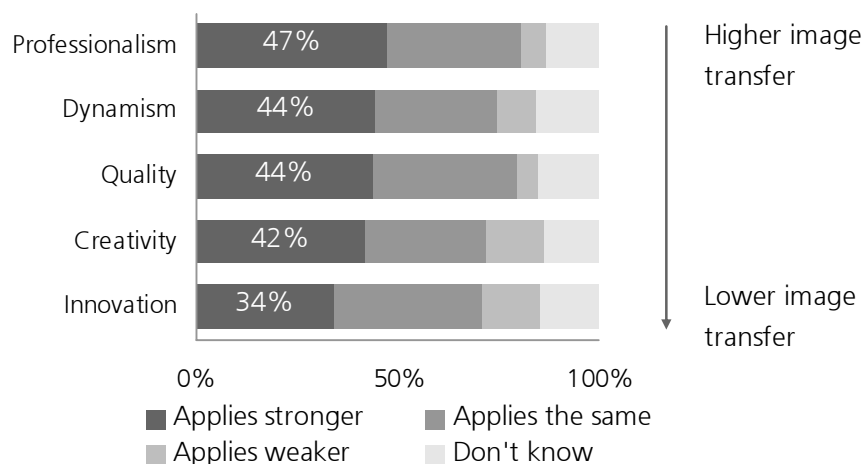


Figure 42: Measurement of image transfer

As seen in the figure above, a large share of respondents say that the image attributes apply more strongly, but there is also a small share of respondents who think that the attributes apply more weakly due to the sponsorship. Thus, it must be assumed that there is also a negative image effect for a certain percentage of respondents. To include positive as well as negative effects, a net

³³⁴ The wording of this question was adapted to the cultural circumstances of each event. For some events, further specifications were given in order to prevent misunderstandings, or the wording was transformed. This especially applies for surveys in non-Anglosaxon countries.

positive effect is calculated by subtracting the respondents who show a negative response from the ones who show a positive response. An example of the net image effect is shown in the table below.

Attribute	Applies stronger	Applies weaker	Net positive effect
Professionalism	47%	6%	41%
Quality	44%	5%	39%
Dynamism	44%	10%	34%
Creativity	42%	15%	27%
Innovation	34%	15%	19%

Table 11: Calculation of net positive image effect

Generic image values

Another area of investigation is the transfer of generic image values just by the fact that the company is a sponsor. Such values need to be very generic and applicable to all areas of sponsorship, without considering the individual image of the different platforms and without referring too much to the specific image of the sponsor. After some internal discussions, the wealth management firm decided on including seven dimensions: Financial stability, success, leadership, innovativeness, positive feelings, sponsor consideration and marketing efficiency. As it was interesting to see if cultural sponsorship and sports sponsorship differ in terms of the transfer of these general image attributes, sports as well as cultural sponsorship was assessed independently in the global sponsorship study. Below is the exact wording that was used to capture generic image value transfer of sports and cultural sponsorship:

"Thinking about financial services firms that sponsor [insert: sports or cultural] events, please tell me if you agree or disagree that their sponsorship activity conveys the following about the firm. Please use a 1 – 5 scale, with a 1 meaning you disagree strongly and a 5 meaning you agree strongly.

The firm is a leader in its field.

The firm is financially stable.

The firm is successful.

The firm is innovative.

The firm is wasting its money with sponsorship.

The firm is one I feel more positively towards.

The firm is one I would consider doing business with."

8.3. Statistical approaches

This section will show what statistical procedures are used to test the hypotheses as outlined in section 7.3. Since different data sets are observed and a range of different variables will be analyzed, various different statistical procedures are applied. To give a rough overview, statistical approaches can be classified according to two characteristics:

- Whether they compare metrics between two distinct groups within one data set (e.g. respondents who are sponsorship aware vs. those who are not sponsorship aware). To do this, crosstab analysis is used.
- Whether they want to measure how a specific metric can be predicted by other metrics (e.g. to what extent brand perception can be explained by sponsorship awareness). This requires multivariate statistical modeling, such as regression models.

A further classification can be made according to the statistical level that the target variables are measured: For categorical data, other statistical testing is applied than for interval data. The sections below will give some details about the usage of statistical methods for the empirical analysis.

8.3.1 Crosstab analysis

The main question observed with crosstab analysis is whether respondents who are aware of a specific sponsorship have a different brand perception than respondents who are not aware of the sponsorship. If significant differences can be observed, it must be assumed that sponsorship awareness has an impact on brand perception.

Statistical testing of two distinct groups can be divided into two categories, depending on the metric level of the variable that is explained. In case of a nominal, binomial or ordinal variable, percentage distributions are compared and non-parametric tests are used. In case of an interval variable, the comparison is usually done by comparing means, which requires a parametric test. In the empirical analysis, only variables with either ordinal or nominal data are observed, so no tests for nominal or binominal variables will be described.

Group comparison for ordinal variables

To measure if an ordinal variable varies significantly between one group and a reference group, a variety of tests can be run. However, the most popular and most widely used is the Pearson Chi-Square test.³³⁵ This test compares the distribution of one variable within group 1 vs. its distribution

³³⁵ cf. Brosius (2002), p. 350

in group 2 by calculating the overall distribution across both groups and deriving an expected distribution. The stronger group 1 and group 2 differ from the expected distribution, the higher the Chi Square value, and the more likely it will be that group 1 and 2 are not related to each other.

The Pearson's Chi Square value is calculated as a squared sum of all cells within a table with regard to the value they differ from the expected value. First, an expected n for each cell in a table is calculated by looking at the total margin distributions and applying these to group 1 and 2; second the expected value is subtracted from the actual value, squared (in order to adjust positive and negative deviations) and divided by the expected value; third, these deviation metrics of all cells within a table are added in order to come up with the Chi Square metric. The Chi Square value is calculated using the following formula:³³⁶

$$\chi^2 = \sum_{i=1}^n \sum_{j=1}^m \frac{(n_{ij} - \tilde{n}_{ij})^2}{\tilde{n}_{ij}}.$$

n_{ij} stands for the observed frequency in the cell that is located in row i and column j , and \tilde{n}_{ij} stands for the expected frequency of that cell.

The resulting Chi Square value is then combined with degrees of freedom. Degrees of freedom are calculated with the following formula: (number of rows -1) x (number of columns -1). In a table with 4 rows and 3 columns there would be 6 degrees of freedom (=4-1 x 3-1). Using the Chi Square value and taking into consideration the degrees of freedom will give an indication about the probability that the present deviation in the sample will also be applicable to the universe (significance test). If the significance of the Chi Square value is below 0.05, it must be assumed that there is a difference between group 1 and group 2 with regard to the observed variable, and the null hypothesis can be discarded.³³⁷

Group comparison for interval metrics

For interval metrics, significance testing has to be done differently from that for an ordinal or nominal variable. Instead of comparing the distribution of a variable in terms of percentages, usually the statistical mean (=average value) is observed. The main question is the following: When differences in the mean of a variable across two different groups are observed, are these statistically

³³⁶ cf. Brosius (2002), p. 398

³³⁷ The null hypothesis states that group 1 and 2 are not different from each other with regard to the observed metric, and that observed deviance in the sample is only an accidental result that can not be applied to the universe.

sound so that the observed differences can be applied to the universe, or are observed differences only arbitrary because of sampling effects?

Comparisons of means across two independent samples are usually done with an independent-samples t-test.³³⁸ The t-value gives an indication of the likelihood that differences between group 1 and 2 may be applicable to the whole universe. The t-value is calculated by dividing the difference of the means of group 1 and 2 by the root of the squared variance of each group divided by the number of observed cases. The general rule is the following: The larger the t-value, the more probable it is that differences are not only due to a sampling error but are also applicable to the universe. Below, the formula of the independent sample t-test is given:³³⁹

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_1^2}{N_1} + \frac{s_2^2}{N_2}}}$$

\bar{X}_1 and \bar{X}_2 describe the observed means of the variable in group 1 and group 2, s_1^2 and s_2^2 are the empirical variances of the two groups, and N_1 and N_2 show the number of observed cases in both groups.

Using the t-value combined with the degrees of freedom (= number of observed cases) allows the execution of a significance test using the t-table. If the significance value is below 0.05, it can be assumed that the observed differences in the sample can also be observed in the universe. If the significance value is above 0.05, it must be assumed that differences between the sample groups are a random effect, so the null hypotheses can not be rejected.³⁴⁰

Comparison of ordinal variables within one sample

In some cases, it is necessary to compare two variables within one sample. In this thesis, for example, by comparing the image effect of sports vs. cultural sponsorships, i.e. if specific image values such as 'successful' or 'financially stable' are transferred to the same extent with sports and with cultural sponsorships, or if there are significant differences. To do this, the Chi-square test as described above is not adequate, since the Chi-square test compares between two subgroups within a sample only with regard to one metric and not between two different metrics for the whole sample. To do a comparison of two variables within the same sample, a Wilcoxon signed-rank test is needed. The Wilcoxon signed-rank test basically tests if two variables (also labeled as

³³⁸ cf. Brosius (2002), p. 457

³³⁹ cf. Brosius (2002), p. 451

³⁴⁰ The null hypothesis states that an observed difference between two samples is only a random effect and can not be applied to the universe.

'samples' in this context) within a data set have the same distribution or not. The Wilcoxon signed-rank test is a non-parametric alternative to the paired student's t-test for two related samples in a single sample. It is assumed that the samples (here equal to variables) are not derived from the same sample.

To do this, the Wilcoxon signed-rank test calculates a difference between the values of variable X and Y for each individual case. For example, if a respondent answered 8 to question X_1 and 5 to question Y_1 , the difference (Z_1) is -3 ($Z_1 = Y_1 - X_1$). The differences for each individual response are calculated (Z_i) and are ranked ascendingly, whereby only absolute difference values are taken and signs are not considered. Each difference (Z_i) is assigned to a rank (R_i). The ranks are then again provided the original signs of Z_i . The Wilcoxon signed rank statistic ($W+$) sums all positive ranks $R_{i(+)}$ and compares them to the negative ranks $R_{i(-)}$. If the distribution of the variable's medians are identical, the difference $R_{i(-)} - R_{i(+)}$ is minimized. The Wilcoxon signed-ranks test provides a robust test for the independence of two categorical variables within a given data set.³⁴¹

8.3.2 Regression models

In some cases, it makes sense not only to look at the statistical significance of differences between groups, but also to look at the interdependencies between multiple distinct variables. In this case, multivariate statistical procedures have to be applied. If the values of one specific variable should be explained or predicted using other variables within a data set, regression modeling is often used.³⁴²

Regressions are used for the analysis of relationships between a dependent variables and one or several independent variables (predictors). When only one independent variable is included in the regression, it is called a bi-variate regression model; if two or more independent variables are observed, the analysis is called multiple regression. The regression answers the question how strongly the predictors influence the dependent variable, and to what extent the dependent variable will change if the predictors change. In contrast to a correlation, the regression assumes a causal relationship between predictor and dependent variable, thus a clear direction of the interrelation is implied.

Referring to the hypotheses as developed in section 7.3, regression models are built around sponsorship awareness and brand equity metrics. Awareness of sponsorship is seen as a predictor,

³⁴¹ For more information about the Wilcoxon signed-rank test see Brosius (2002), p. 829, or http://en.wikipedia.org/wiki/Wilcoxon_signed-rank_test.

³⁴² For a more detailed discussion about the usage of regression models see e.g. Cohen (1988), p. 407ff; Cohen (1983); Backhaus (2000), p. 1ff; Kühnel / Krebs (2001), p. 382ff

brand perception is seen as a dependent variable.³⁴³ The connection of sponsorship awareness and brand perception is shown graphically in figure 43.



Figure 43: Bi-variate regression model

In the empirical analysis, more than just one predictor and one dependent variable are observed, as respondents can be aware of various different sponsorships, and brand perception can be assessed using multiple variables. Thus, the bi-variate regression model has to be complemented and a multiple regression model needs to be applied. When applying multiple regression modeling to the data, sponsorship awareness is used as the main predictor of brand perception. However, it is assumed that awareness of different sponsorships may have a differential impact on brand perception (e.g. sailing sponsorship might have a stronger impact as compared to contemporary art sponsorship). Thus, the awareness of different sponsorship areas are used simultaneously as independent predictors or brand perception.

Figure 44 shows the basic specification of the regression model that is applied in empirical testing. This model will be applied to hypotheses h3 and h4.³⁴⁴

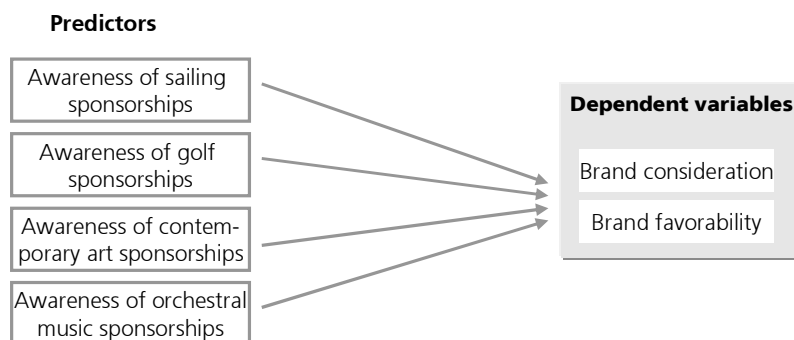


Figure 44: Regression model for brand consideration and favorability

³⁴³ Theoretically, also a different direction of impact between sponsorship awareness and brand equity could be assumed. It might be possible that consumers that have high brand familiarity and a positive view towards the brand image are more sensitive with regard to the company's marketing activities and thus are more likely to be aware of the different sponsorships of the firm. However, since this kind of impact has never been theoretically or empirically investigated, it will not be followed further here.

³⁴⁴ cf. section 7.3

A separate model has to be specified to measure the effect of sponsorship awareness on familiarity. Brand familiarity follows a different logic than that of brand consideration or favorability: Brand familiarity does not include an emotional closeness to the company, it only measures the extent to which a person knows about the company's products and services, without giving an indication if the company is perceived as positive or negative.³⁴⁵ Thus, the level of brand familiarity may be affected by all the company's marketing and communication activities. Every potential touch point to the company (be it a friend talking about his experience with the company, press reports, advertising, sponsorship etc.) might have a potential impact on brand familiarity, therefore each of these touch points can be seen as a predictor.³⁴⁶

The basic specification of the regression model that measures the impact of sponsorship on brand familiarity is shown in figure 45.

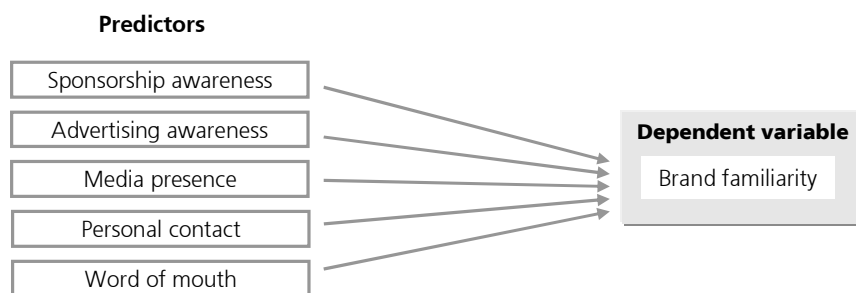


Figure 45: Regression model for brand familiarity

A problem with traditional linear regression is that the observed variables need to fulfill a series of criteria. For example, all variables should be interval scaled and must have a linear interrelation, and residuals must not correlate with each other. Thus, when using ordinal variables, linear regression models are often not applicable. Usually, empirical analysis just assumes that ordinal scale variables can also be interpreted as interval scale, although this assumption is often not valid and not empirically founded. An alternative is to use a categorical regression which leaves much more flexibility on data restriction than traditional linear regression and can easily be applied to ordinal metrics. In the following section, linear regression and categorical regression are shortly specified.

³⁴⁵ For the exact definition of brand awareness see section 8.2.

³⁴⁶ Of course personal experience is exceptionally important in the case of someone who has already had business contacts with the firm. However, in the empirical analysis, all individuals who are already clients are excluded from the data base.

Regression for interval data (linear regression)

When conducting a linear multiple regression, three different steps can be distinguished:³⁴⁷

- *Specification of the model:* Based on functional considerations, predictors are selected and the coherence between dependent and independent variables is established. The regression model should reflect the cause-and-effect chain as completely as possible.
- *Estimation of the regression equation:* Based on the available data, a regression equation is calculated for a given sample. In a bi-variate regression, the regression equation can be displayed as a straight line in a coordinate system. In case of multiple regression, more than two dimensions are included and it is impossible to display the regression graphically. Usually, linear regression follows the ordinary least squares methodology (=OLS), which means that the squared sum of the distances between an empirically observed and a forecasted dependent variable (=residual) is minimized.
- *Testing for significance:* When the regression equation is calculated, it must be tested to see if the regression coefficient and the regression model as a whole are also valid in the universe, or if it is only a random artifact that occurs due to sampling bias. To check the validity of the regression model as a whole, the coefficient R^2 is considered. If R^2 is not significant, it must be assumed that the regression model is not applicable to the universe. To test if regression coefficients (=beta) are valid, each regression coefficient is tested using its corresponding t-value. If the beta is not significant, it must be assumed that there is no regression effect of the corresponding variable in the universe.

The formula which expresses how the regression equation provides an estimated value of the dependent variable is shown below:

$$y = \beta_0 + \beta_1 * x_1 + \beta_2 * x_2 + \beta_3 * x_3 + \dots + \beta_j * x_j$$

y is the dependent variable, β_0 is the constant element, $\beta_1 - \beta_j$ are the regression coefficients and $x_1 - x_j$ are the predictors.

An important role is played by the R^2 value: This indicator describes how strongly the regression model is successful in predicting the dependent variable. R^2 is a measurement of the explained variance of the dependent variable: The higher R^2 is, the more the regression model is able to explain the statistical variance of the dependent variable. R^2 varies between 0 and 1: If it is 0, it means that 0% of the variance can be explained; if R^2 is 1, 100% of the variance can be explained

³⁴⁷ cf. Backhaus (1994), p. 413

and the regression model is able to fully predict the dependent variable. Usually in the social sciences a value of R^2 between 0.3 and 0.8 are observed.³⁴⁸

The R^2 value is calculated in the following way:

$$R^2 = \frac{\sum_{i=1}^n (\hat{y}_i - \bar{y})^2}{\sum_{i=1}^n (y_i - \bar{y})^2}$$

\bar{y} is the average value of the dependent variable, y_i the actual observed dependent variable for case i , and \hat{y}_i is the predicted value of the dependent variable for case i . The numerator of the equation looks at the variance that is explained by the regression model; the denominator looks at the overall variance of the dependent variable. If numerator and denominator are similar, then R^2 approaches 1; if numerator and denominator are very different, R^2 is very low and the regression model turns out to have little explanative power.

Regression for ordinal data (categorical regression)

Categorical regression is a way to run a regression model by transforming ordinal variables into numerical data. By doing this, an optimal linear regression equation can be calculated using the transformed categorical variables. The categorical regression is usually abbreviated as CATREG (*Categorical Regression*).³⁴⁹

In a usual linear regression, only numerical data can be included. To avoid this constraint, a popular way to transform categorical into numerical data is through coding ordinal variables into a set of binary variables.³⁵⁰ The new binary variables serve to split the sample into groups, for each of which a regression coefficient is calculated. The estimated regression coefficients then reflect the change in impact of the transformed independent variables on the dependent variable.

CATREG is broadening the standard linear regression with a simultaneous scaling of nominal, ordinal and numerical variables. The CATREG routine re-quantifies categorical variables and treats them in the same way as numerical variables. By the usage of non-linear transformations, variables can be analyzed on a range of different levels, and the best fitting model can be found. The

³⁴⁸ cf. Kuehnel / Krebs (2001), p. 533

³⁴⁹ CATREG is a part of SPSS Categories Module. Related procedures are Categorical Principal Components Analysis (CATPCA), Correspondence Analysis and Multidimensional Scaling. For further information about CATREG see SPSS (2005), p. 16ff.

³⁵⁰ A binary variable is a variable that has only two values, usually coded as 0 and 1. For example an ordinal variable that has four values (1-4) can be transformed into four independent variables, each of which contains the two values 0 and 1.

CATREG procedure is sometimes also called 'optimal scaling', because it looks at how a categorical variable can be re-scaled in order to yield the best results in the regression.

To set the optimal scaling level for the dependent variable and the predictors, a range of scale levels can be chosen. As a default, variables are scaled as second-degree monotonic splines (ordinal) with two interior knots. Additionally, the following scale levels are available:³⁵¹

- *Spline ordinal*: The order of the categories in the original variable is preserved in the optimally scaled variable, and category points will be on a straight line through the origin. The resulting transformation is a monotonic piecewise polynomial of the chosen degree.
- *Spline Nominal*: The only information that is preserved in the optimally scaled variable is the grouping of objects in categories, and the order of the categories of the original variable is not preserved. The resulting transformation is a possibly nonmonotonic, piecewise polynomial of the chosen degree.
- *Ordinal*: The order of the categories of the original variables is preserved, and category points will be on a straight line through the origin. The resulting transformation fits better than the spline ordinal transformation, but it is less smooth.
- *Nominal*: Similarly to spline ordinal, the only preserved information is the grouping of objects in categories. The resulting transformation fits better than the spline nominal transformation, but is less smooth.
- *Numeric*: Categories are treated as equally spaced on an interval level, and the order of the categories and the equal distances between category numbers are preserved. When all variables are measured on a numeric level, analysis of the categorical regression is analogous to standard linear regression.

Similarly to traditional linear regression modeling, a CATREG model will provide the regression coefficient (standardized and unstandardized) for each predictor and their corresponding significance level. Additionally, a R^2 is computed as an approximation of goodness-of-fit of the model, as well as its corresponding significance level. The interpretation of output metrics is similar to linear regression: The higher the beta (=standardized regression coefficient) of a predictor, the higher the predicted impact on the dependent variable, all other predictors being constant. In case of a negative beta, the dependent variable is likely to decrease when the predictor increases. The R^2 value specifies how much of the variance of the dependent variable is explained by the CATREG model, thus arriving at an overall assessment of the explanatory power of the model.

³⁵¹ cf. SPSS (2005), p. 21

8.3.3 Overview of statistical testing

As specified above, testing can be classified according to two criteria: First, if testing consist of bi-variate group comparisons or multivariate regression models, and second if the dependent variable is measured on a categorical or numeric level. This provides the following options of empirical testing:

- Group comparisons with categorical dependent variable: Chi Square test
- Group comparisons with numeric dependent variable: t-test
- Regression models with categorical dependent variable: Categorical regression
- Regression models with numeric dependent variable: Linear multiple regression

The table below gives an overview of how the testing is applied to the different data sets. Although across data sets the same statistical procedures are applied, they do not necessarily use the same set of variables. Brand familiarity in the BEM for example is analyzed using the regression model as specified in figure 45, while brand consideration is measured using the regression model from figure 44.

Target variable	Brand equity Monitor	Global spons. study	Pre-post surveys	On-site surveys
<i>Brand equity</i>				
Brand awareness (categorical)	-	-	Chi Square	-
Brand familiarity (categorical)	a) Chi Square b) CATREG	-	Chi Square	-
Brand consideration (categorical)	a) Chi Square b) CATREG	-	a) Chi Square b) CATREG	-
Brand favorability (numeric)	a) t-test b) Regression	-	-	-
<i>Image transfer</i>				
General image transfer (categorical)	-	Wilcoxon-test	-	-
Area specific image transfer (categorical)	-	-	-	Frequencies

Table 12: Overview of statistical testing

9. Results

After having shown the methodological details, this chapter will now go into the details of the empirical data analysis. The chapter is structured according to the hypotheses outlined in section 7.3. The first section of chapter 9 will show the different tests that were run to analyze the effect of sponsorship on brand awareness (h1) and brand familiarity (h2). To do this, data from the BEM and pre-post studies will be used, and regression models and cross tabulations will be run. The second section will investigate the effect of sponsorship awareness on brand favorability (h3a) and consideration (h3b). An additional focus will be put on the differential impact of the awareness of different sponsorship platforms on brand favorability (h3b) and consideration (h4b), using multiple regression models. The third section will then examine in detail questions of image transfer, where two different aspects of this will be investigated: The transfer of generic image by cultural and sports sponsorships (h5) and the transfer of area-specific image attributes (h6a-h6d).

The structure of chapter 9 is shown in figure 46.

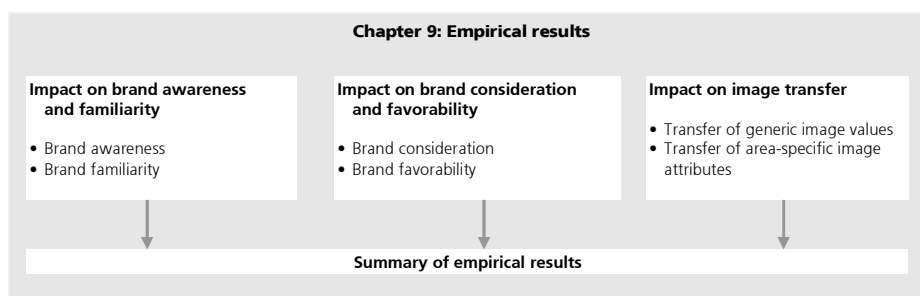


Figure 46: Structure of chapter 9

9.1. Impact on brand awareness and brand familiarity

9.1.1 Brand awareness

The impact of sponsorship on brand awareness is slightly more difficult to measure than its impact on other brand equity related metrics. The problem is that brand awareness is actually interrelated with sponsorship awareness in some way: On the one hand, people who have not heard about the company before will not be able to recall any sponsorships either; on the other hand, people who are aware of sponsorships by the company can be considered to be brand aware. Thus, it is not possible to make a comparison between respondents who are sponsorship aware vs. not aware with regard to their level of brand awareness, as will be possible for other brand metrics. Likewise, analyzing the respondents within one single survey wave will not be useful in finding out the impact

of sponsorship on brand awareness. Useful results can only be achieved when comparing the brand awareness in a given target audience over the time in which a large sponsorship activation program was executed. This can be achieved by comparing the brand awareness before the sponsorship event vs. after the event, which is typically done in pre-post studies. The assumption would be that the activation of the sponsorship actually raised the awareness of the brand among people who previously had been unaware of it, thus achieving an impact on awareness among the general public.³⁵² This is stated in hypothesis one:

H1: Communication of major sponsorships leads to increased brand awareness among the general target audience.

To analyze this hypotheses, pre-post studies which were done around the firm's major sponsorship were used. Since communication campaigns are usually done locally and specifically to each event, it is difficult to compare details across the different pre-post studies. However, it is still important to know if the objective to increase brand awareness was achieved or not, and what the drivers for brand awareness were.

Table 13 shows the results of the four pre-post studies with regard to the difference in brand awareness observed in the pre-wave as compared to the post-wave:

Study			Wave				Total	
			Pre-Wave		Post-Wave		Count	Col %
			Count	Col %	Count	Col %		
Art exhibition (US)	Awareness of company	not aware	49	33%	10	7%	59	20%
		aware	101	67%	140	93%	241	80%
	Total		150	100%	150	100%	300	100%
Golf tournament (US)	Awareness of company	not aware	86	33%	58	22%	144	27%
		aware	177	67%	204	78%	381	73%
	Total		263	100%	262	100%	525	100%
Golf tournament (APAC)	Awareness of company	not aware	28	17%	11	7%	39	12%
		aware	134	83%	150	93%	284	88%
	Total		162	100%	161	100%	323	100%
Art exhibition (Europe)	Awareness of company	not aware	62	41%	62	41%	124	41%
		aware	89	59%	89	59%	178	59%
	Total		151	100%	151	100%	302	100%

Table 13: Brand awareness before and after sponsorships (source: pre-post studies)

³⁵² Activation measures to reach out to the target audience are often focused on print / TV advertising campaigns as well as PR and media coverage. Additionally, there might be an impact on the brand awareness of on-site event visitors (visitors who had never heard about the brand before and then become aware of it while being at the event). Unfortunately, there is no metric among on-site visitors to properly measure this rise in brand awareness.

At a first glance, it can be observed that the brand awareness was raised in three out of four cases. From pre- to post-event, brand awareness increased from 67% to 93% through the art exhibition in the US, from 67% to 78% through the US golf tournament and from 83% to 93% through the golf tournament in APAC. Only at the art exhibition in Europe was no increase in brand awareness measured. To check if these differences between the pre- and post-waves are statistically significant, a Chi-square was conducted as shown in table 14.

Study			Wave	
			Chi-square	32.091
Art exhibition (US)	Awareness of company	df		1
		Sig.		.000*
Golf tournament (US)	Awareness of company	Chi-square		7.356
		df		1
		Sig.		.007*
Golf tournament (APAC)	Awareness of company	Chi-square		8.309
		df		1
		Sig.		.004*
Art exhibition (Europe)	Awareness of company	Chi-square		.000
		df		1
		Sig.		1.000

*. The Chi-square statistic is significant at the 0.05 level.

Table 14: Pearson Chi-square test for brand awareness (source: pre-post studies)

The Person Chi-square test shows that the differences between pre- and post-event findings with regard to brand awareness are significant at the 0.05 level. This applies to all studies except that of the art exhibition in Europe, where no differences at all were observed (sig. =1.00).

To analyze this effect a little bit more in detail, it might be necessary to take into consideration awareness of the sponsorship. The hypotheses is that if the firm was able to raise awareness of its sponsorship, sponsorship awareness can be considered as a good indicator to explain the increase in brand awareness. This analysis is shown in table 15:

Study			Wave				Total	
			Pre-Wave		Post-Wave		Count	Col %
			Count	Col %	Count	Col %		
Art exhibition (US)	Aware of Sponsorship	not aware	147	98%	120	80%	267	89%
		aware	3	2%	30	20%	33	11%
	Total		150	100%	150	100%	300	100%
Golf tournament (US)	Aware of Sponsorship	not aware	166	63%	141	54%	307	58%
		aware	97	37%	121	46%	218	42%
	Total		263	100%	262	100%	525	100%
Golf tournament (APAC)	Aware of Sponsorship	not aware	99	61%	65	40%	164	51%
		aware	63	39%	96	60%	159	49%
	Total		162	100%	161	100%	323	100%
Art exhibition (Europe)	Aware of Sponsorship	not aware	133	88%	135	89%	268	89%
		aware	18	12%	16	11%	34	11%
	Total		151	100%	151	100%	302	100%

Table 15: Sponsorship awareness before and after sponsorships (source: pre-post studies)

Similarly, as in the case of brand awareness, the company was able to increase its sponsorship awareness from pre- to post-study in three out of four cases. Again, an increase was measured at the US art exhibition (from 2% to 20%), the US golf tournament (from 37% to 46%) and the APAC golf tournament (from 39% to 60%). However, no increase in sponsorship awareness was measured at the art exhibition in Europe (from 12% to 11%). To check the significance of these results, Chi-square tests are run.

				Wave
Study	Art exhibition (US)	Aware of Sponsorship	Chi-square	24.821
			df	1
			Sig.	.000*
	Golf tournament (US)	Aware of Sponsorship	Chi-square	4.676
			df	1
			Sig.	.031*
	Golf tournament (APAC)	Aware of Sponsorship	Chi-square	13.895
			df	1
			Sig.	.000*
	Art exhibition (Europe)	Aware of Sponsorship	Chi-square	.133
			df	1
			Sig.	.716

* The Chi-square statistic is significant at the 0.05 level.

Table 16: Pearson Chi-square for sponsorship awareness (source: pre-post studies)

Discussion of the results

Obviously the firm was able to achieve its objectives in raising brand awareness through communications around its major sponsorships in three out of four cases. This proves that raising brand awareness through sponsorship communication is achievable and h1 can be accepted. However, the results also imply that an increase in brand awareness does not automatically follow sponsorship communication, as seen in the example of the art exhibition in Europe, where neither brand awareness nor sponsorship awareness increased from pre- to post-studies. Thus, there may be circumstances where h1 is not applicable.

The next issue is to find out why it worked with some events and why it did not for others, or to be more specific, why it did not work for the European art exhibition in contrast to the other events. To examine a bit more deeply into this matter, the different sponsorship properties need to be analyzed individually, since activation measures and budgets differed quite strongly across the events. To understand more about which might be the ultimate drivers of brand awareness, it is important to look at what communication activities were implemented across the different sponsorships.

- The US art exhibition: This exhibition was taking place in one single major city in the US. The activation campaign was strongly focused on showing the brand name in combination with the art exhibition, since the art exhibition already benefited from an excellent reputation and was known to virtually everyone. Activation was done by lots of regional advertising in the press and outdoors, as well as advertorials and press supplements. A very important role was played by journalists, as a lot of press coverage was generated about this sponsorship since it was the first cooperation of a major wealth management company with a highly renowned art exhibition in the region. Press reactions were very positive, and might have been an important source of awareness of the sponsorship.
- The golf tournament in the US: The communication around the golf event was mainly done as a massive national TV and print advertising campaign. The aim was again to spread the brand name in a strategically important country where the brand had previously suffered from low awareness. This can be considered as one of the biggest sponsorship advertising campaigns that was ever done by the wealth management company, including a wide reach and a large budget. At the same time, it was the first time that the company had ever sponsored a golf event in the US.
- The golf tournament in APAC: the communication about this event focused on a geographically distinct area with approximately 10 million inhabitants. Similar to the US tournament, this was the initial golf effort of the company in the APAC region, thus a major advertising campaign was conducted. Also here, raising brand awareness was one of the

main objectives, since the company had suffered from rather low brand awareness previously. Furthermore, press coverage might have played an important role since this was a title sponsorship: The company was part of the event name and appeared in approximately 300 press clippings.

- The art exhibition in Europe: Similar to the US art exhibition, the sponsorship in Europe was one of the company's first involvements in contemporary art, and one of the company's worldwide flagship properties. However, the activation of the sponsorship strongly differed from other engagements. The main distinction was that the company did not do a targeted advertising campaign for HNWI audience, but rather attempted to reach out to the whole population living in the area of the art exhibition (approximately 20 million inhabitants). The content of the campaign was focused on transferring the idea of opening up art to a wider public, and promoting the brand name was considered as not being among the top objectives. It was assumed that by reaching out to a wide audience, there might be large spill-over effects to the HNWI target audience in terms of brand awareness and image.

It would unfortunately be beyond the scope of this dissertation to consider the large number of further details, which would need to be given on each sponsorship with regard to activation tactics and communications measures to explain the reasons for success or failure of the different sponsorships in terms of increasing brand awareness. Overall it can be stated that it is the targetedness of the communications campaign which might have the highest impact on brand awareness: While all campaigns were specially suited to reach out to as many members of the HNWI target audience as possible, only the art exhibition in Europe took a broader approach and thus did not succeed in raising brand awareness among the firm's key target audience.

9.1.2 Brand familiarity

Similarly, as with brand awareness, when looking at the impact of sponsorship on raising brand familiarity, some interference problems arise. A two-way interrelation between sponsorship awareness and brand familiarity can be assumed: On the one hand, sponsorship communication can lead to a learning effect and raise a person's perceived familiarity with the sponsor; on the other hand, sponsorship awareness might simply be a result of the higher brand familiarity of the sponsoring firm. Furthermore, it needs to be considered that not only sponsorship communication will have an impact on brand familiarity, but all other forms of corporate communication (e.g. advertising, PR, client advisor contacts etc.) might lead to increased brand familiarity. To avoid these problems, two different testings were done:

- First, similar to brand awareness, a comparison between brand familiarity pre-campaign and post-campaign was made. This was again measured using the pre-post studies.
- Second, an analysis was made on what effect sponsorship has compared to other touch points with regard to its ability to increase brand familiarity. For this purpose, data from the BEM was analyzed, where a set of different touch points were included. Thereby, the regression model as specified in figure 45 ³⁵³ was applied.

Increasing brand familiarity from pre- to post-event

Table 17 shows the evolvement of brand familiarity over the duration of four major sponsorship activation campaigns as measured by the pre-post studies. When looking at the results, It must be considered that brand familiarity is only measured among people who are at least aware of the company.³⁵⁴ Thus, results provided in the table below are based on a smaller n than results provided in the section about brand awareness.

Study			Wave				Total	
			Pre-Wave		Post-Wave		Count	Col %
			Count	Col %	Count	Col %		
Art exhibition (US)	Level of brand familiarity	Not very familiar	43	43%	81	58%	124	51%
		Somewhat familiar	33	33%	37	26%	70	29%
		Very familiar	25	25%	22	16%	47	20%
	Total		101	100%	140	100%	241	100%
Golf tournament (US)	Level of brand familiarity	Not very familiar	97	55%	107	52%	204	54%
		Somewhat familiar	43	24%	61	30%	104	27%
		Very familiar	37	21%	36	18%	73	19%
	Total		177	100%	204	100%	381	100%
Golf tournament (APAC)	Level of brand familiarity	Not very familiar	85	63%	84	56%	169	60%
		Somewhat familiar	47	35%	62	41%	109	38%
		Very familiar	2	1%	4	3%	6	2%
	Total		134	100%	150	100%	284	100%
Art exhibition (Europe)	Level of brand familiarity	Not very familiar	58	67%	64	72%	122	69%
		Somewhat familiar	24	28%	19	21%	43	24%
		Very familiar	5	6%	6	7%	11	6%
	Total		87	100%	89	100%	176	100%

Table 17: Brand familiarity before and after sponsorships (source: pre-post studies)

³⁵³ cf. section 8.3.

³⁵⁴ This is done by filtering out people who are not aware of the company. There is no sense in asking a familiarity metric among respondents who have never heard about the firm previously.

At a first sight, it can be observed that there does not seem to be a major shift in familiarity. Just looking at the group of respondents who are 'very familiar', it can be seen that the share represented by this group did not increase sharply in any of the studies. To be more precise, it stayed at a constant level with the US golf tournament, APAC golf tournament, European art exhibition and even decreased with the US art exhibition. Looking at the respondents who would consider themselves as familiar (= very familiar and somewhat familiar combined), the picture does not change: Familiarity is fairly constant in two studies (the US golf tournament and the European art exhibition), drops during the US art exhibition and only increases with the APAC golf tournament. On the other hand, the percentage of respondents who are not very familiar with the firm stays fairly consistent across the studies.

To see if any of the changes in familiarity are significant, a Pearson Chi-square test is run in table 18:

				Wave
Study	Art exhibition (US)	Level of brand familiarity	Chi-square	5.909
			df	2
			Sig.	.052
	Golf tournament (US)	Level of brand familiarity	Chi-square	1.715
			df	2
			Sig.	.424
	Golf tournament (APAC)	Level of brand familiarity	Chi-square	1.841
			df	2
			Sig.	.398
	Art exhibition (Europe)	Level of brand familiarity	Chi-square	.945
			df	2
			Sig.	.624

Table 18: Pearson Chi-square for familiarity (source: pre-post studies)

The results of the Chi-square test show that none of the differences in brand familiarity are on a statistically significant level. There is a significance level of 0.052 for the US art exhibition study. However, this actually goes into the wrong direction, since brand familiarity was decreasing instead of increasing over the time of the sponsorship campaign. Thus, overall the crosstab analysis and the statistical testing suggest that unlike brand awareness, sponsorship communication did not have a significant effect on brand familiarity in any of the observed studies.

Comparative effect of sponsorship vs. other communications activities

Another interesting issue to consider is the impact of sponsorship compared to other communications activities. The main question is to what extent sponsorship is able to increase brand

familiarity compared to other marketing measures, such as advertising, PR or direct contact. It must be assumed that all these marketing activities have the potential to raise brand familiarity among the recipients of the communication messages, yet it is not clear if any of them is more effective than others.

This question will be investigated by analyzing data from the BEM. In the BEM, not only awareness of different sponsorships are included, but also awareness of the most important other communication activities of the firm, which all can be considered as predictors of brand familiarity. Unlike the crosstab analysis shown for the pre-post studies, this time all the different touch points will simultaneously be included in one single regression model. Sponsorship is thereby considered as one distinct variable, and no differentiation of various sponsorship platforms or properties is made.

The predictors are all on a binary scale level: Either the respondent is aware of the communications activity or not.³⁵⁵ Thus, the variables always contain two values, 0 for 'not aware' and 1 for 'aware'. Since the dependent variable (brand familiarity) is measured on an ordinal scale level,³⁵⁶ a traditional linear regression model is not appropriate, and a CATREG model is applied instead.³⁵⁷ The following tables gives an overview of the CATREG regression coefficients:

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Has seen advertising from the company	.023	.018	2	1.548	.213
Has heard news about the company	.160	.019	2	68.622	.000
Friends / co-workers mentioned the company	.197	.019	2	104.662	.000
Is aware of sponsorships of the company	.115	.019	2	37.318	.000
Received any contact from the company in last 3 months	.222	.019	2	136.674	.000

Dependent Variable: Level of brand familiarity

Table 19: Categorical regression on brand familiarity (source: Brand Equity Monitor)

First of all, it should be mentioned that this analysis includes BEM data from 3 waves³⁵⁸ in 7 countries.³⁵⁹ Out of overall 3450 respondents, 2347 were included in the analysis,³⁶⁰ thus the results were based on a fairly large and global sample.

³⁵⁵ For some of the metrics, a further differentiation into unaided and aided awareness could be made. However, to ensure comparability between predictors and to keep the model as simple as possible, all variables only have two parameter values (aware and unaware).

³⁵⁶ For an exact definition of brand familiarity see section 8.2

³⁵⁷ cf. section 8.3

³⁵⁸ Waves are from 2005-2006. Each wave has a share of 31-34% at the total of respondents.

³⁵⁹ Countries include France, Germany, Italy, Spain, Switzerland, UK and US.

The results of the CATREG analysis are quite straightforward: All the different touch points show a significant impact on brand familiarity, excepting advertising awareness which is not significant. The regression coefficients for news awareness, word-of-mouth, sponsorship awareness and direct contact are all on a 0.00 significance level, while advertising awareness is not even significant at the 0.2 level.

Additional information can be retrieved when looking at the order of the beta values. With a regression coefficient of 0.115, sponsorship awareness turns out to be the least important touch point next to advertising. Most important are direct contact (beta=0.222) and word-of-mouth (beta=0.197). News presence is located somewhere in between (beta=0.160).

A further evidence of the different impact scores can be obtained when looking at the correlations between the different variables as well as the importance score that is provided with the CATREG routine.³⁶¹

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transformation	Before Transformation
Has seen advertising from the company	.069	.025	.023	.008	.984	.984
Has heard news about the company	.280	.166	.150	.222	.883	.883
Friends / co-workers mentioned the company	.310	.203	.186	.302	.889	.889
Is aware of sponsorships of the company	.209	.123	.111	.119	.929	.929
Received any contact from the company in last 3 months	.317	.231	.212	.349	.911	.911

Dependent Variable: Level of brand familiarity

Table 20: Correlations, importance and tolerance of the categorical regression on brand familiarity (source: Brand Equity Monitor)

This table provides a consistent picture with the regression coefficients shown before. Both zero-order and partial correlations with brand familiarity are highest for direct contacts and word-of-mouth, while advertising awareness only shows a low correlation. Sponsorship and news awareness are in between the two. A similar pattern can be found when looking at the importance metric. However, sponsorship awareness even scores lower compared to news awareness in this respect (0.119 vs. 0.222).

³⁶⁰ The rest of approximately 1100 respondents were not aware of the company and were excluded.

³⁶¹ Correlations consist of zero-order, partial and part correlations, which measure the coherence of the different variables in various ways. The 'Importance' value is a measure of each predictor's contribution to the model. The higher the Importance value, the more important the predictor. cf. SPSS (2005), p. 21ff.

Further indications about the different predictors can be obtained by the distribution of awareness of the different touch points in the sample. An overview about the predictors is given in table 21.

	Reveived any contact from the company in last 3 months		Has seen advertising from the company		Has heard news about the company		Friends / co-workers mentioned the company		Is aware of sponsorships of the company	
	Count	%	Count	%	Count	%	Count	%	Count	%
no	2169	89%	1817	75%	1541	63%	2127	87%	1237	51%
yes	268	11%	620	25%	896	37%	310	13%	1200	49%
Total	2437	100%	2437	100%	2437	100%	2437	100%	2437	100%

Table 21: Distribution of predictors of brand familiarity (source: Brand Equity Monitor)

Overall, sponsorship turns out to be the communication activity with the highest reach. Nearly 50% of the BEM respondents are aware of one or more of the firm's sponsorships. This is fairly surprising, given that the firm actually allocates considerably more resources to advertising than to sponsorship, and advertising on the other hand was only recalled by 25% of the respondents. Direct contact and word-of-mouth are not very important in terms of reach (11% were contacted by the company and 13% talked with friends / co-workers about the company). However, taking into consideration that direct contact and word-of-mouth are actually the most relevant touch points in terms of building brand familiarity, these results might be a very important finding for communications planning. Personal contacts seem to have a low reach, but a very high impact on brand familiarity, thus there is further potential to explore ways to expand the effectiveness of these direct touch points.

Discussion of the results

Two slightly contradictory results were found with regard to h2: On the one hand, the pre-post tests did not show any increase in brand familiarity over the time of major sponsorship advertising campaigns; on the other hand it was observed that there is a significant impact of sponsorship when looking at its comparative brand building power compared to other communications touch points. How can these differences be explained?

First, some further remarks to the crosstab analysis need to be added. The crosstab analysis just looked at a part of respondents who are aware of the company, unaware respondents were filtered out of the crosstab analysis. Thus, the Chi-square test referenced to the relative percentage of the different awareness levels with regard to the overall respondents that were aware of the firm. This percentage did not increase, leading to insignificant Chi-square values. However, there is another way to look at the data: If not only those respondents who were aware of the firm are considered,

but if the overall sample is looked at, then the picture changes. Namely, it can be seen that the absolute number of respondents who were aware of the company significantly increased over the period of the sponsorship communication (as shown in section 9.1.1). Thus when looking at absolute figures, there was actually a slight increase in brand familiarity from pre to post in all the studies. This effect is not captured in the Chi-square test, since the test only focuses on the distribution within the group of respondents that are brand aware. If measured in absolute numbers, there would have been a slight raise in brand familiarity in three out of the four the pre-post surveys.

Second, it might not be surprising that there was only a slight impact of sponsorship awareness on brand familiarity when one takes a closer look at the operationalization of the familiarity metric.³⁶² The wealth management company uses familiarity as a construct to measure the perceived knowledge of respondents specifically with regard to the firm's products and services and the overall reputation. Sponsorship communication, on the other hand, is not primarily focused on transferring this type of information, but rather builds engagement with the target group by communicating the joint values with the sponsorships and by demonstrating the company's corporate social responsibility. Furthermore, pure media presence through sponsorship (e.g. logo presence on a golf course or newspaper coverage with title sponsorships) usually does not contain any information about what the company other than its logo. Therefore no learning effect, in terms of what products and services the firm offers or what reputation it has, can be expected. Thus, the low effect of sponsorship on familiarity might simply be a consequence of the way in which the familiarity metric had formerly been defined.

Overall, it must be assumed that sponsorship plays only a minor role in building brand familiarity, and H2 must be refused.

9.2. Impact on brand consideration and favorability

The impact of sponsorship on brand consideration and favorability is measured in a similar way to the impact on brand awareness and familiarity as seen in the previous section. An easy way of measuring is to compare respondents who are sponsorship aware with respondents who are not sponsorship aware. The basic assumption would be that when there are significant differences between these two groups, sponsorship awareness can be considered as a driver for brand consideration and favorability. However, as seen in the previous chapters, regression models may

³⁶² See the exact wording of the familiarity question in section 8.2

provide additional insights on the impact of sponsorship. Therefore, two different statistical tests are run:

- Crosstab analysis (split of respondents by sponsorship awareness vs. not awareness)
- Regression models that use sponsorship awareness as an independent variable and brand favorability and consideration as dependent variables

Two different data sets are available for this analysis: the Brand Equity Monitor and pre-post surveys. While in the BEM different kinds of sponsorship can be included in the analysis, in the pre-post waves only one specific kind of sponsorship is available. Furthermore, the BEM measures both brand familiarity as well as brand consideration, while in the pre-post studies only brand consideration is included. It should also be mentioned that brand consideration is measured on a categorical scale, while brand favorability used a metric scale.³⁶³ An overview of the different testings was already given in table 11.

9.2.1 Brand favorability

The impact of sponsorship on brand favorability is measured in a similar way as brand consideration. However, there are two major differences: First, brand favorability is measured on a metric scale (1-9), thus a different kind of statistical testing is required; second, brand favorability has not been included as a standard metric in the pre-post studies, thus only the BEM can be used as a data source.

The main hypothesis is that awareness of sponsorships leads to an increase in consumer's favorable feelings towards the sponsor (h3a). Due to a lack of theoretical and empirical investigations, it must be assumed that there is no difference in this effect between individual sponsorship platforms in the sports and cultural area (h3b). These hypotheses will now be checked by looking at how sponsorship awareness impacts brand favorability as measured in the Brand Equity Monitor.

Again, two steps will be taken: First, respondents who are aware of a sponsorship platform will be compared with respondents who are unaware of it, and the resulting differences will be tested for significance using an independent sample t-test. Second, awareness of different sponsorships will be used simultaneously as predictors of brand favorability using a multiple regression model. Since favorability is measured on a metric scale, this time there is no need to apply the CATREG procedure, and an ordinary linear multiple regression model can be applied instead.

Table 22 shows the favorability scores across the different respondent groups:

³⁶³ For details about the operationalization see section 8.2.

	Aware of sailing sponsorships		Aware of orchestral music sponsorships		Aware of contemporary art sponsorships		Aware of golf sponsorships	
	no	yes	no	yes	no	yes	no	yes
Favorability (1-9)	5.70	6.35	5.89	6.07	5.83	6.29	6.00	5.73

Table 22: Cross tabulation of favorability scores and sponsorship awareness (source: Brand Equity Monitor)

Obviously, favorability differs quite strongly between respondents who were aware of sponsorship and respondents who were not. A large difference can be observed between the results for sailing sponsorship (increase from 5.7 to 6.35 points), for those of contemporary art (from 5.83 to 6.29 points), and for orchestral music, where a slight increase can be observed (from 5.89 to 6.07 points). The only platform where there was a decrease is golf: Respondents who were aware of golf sponsorships have in average a lower brand favorability than those who were unaware (a decrease from 6.0 to 5.73).

To test if these differences are significant, an independent sample t-test was conducted for each of the subgroups.³⁶⁴ These results are shown in table 23:

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
Aware of sailing sponsorships	0.00	0.94	-5.25	962	0.00	-0.65	0.12	-0.90	-0.41
Aware of golf sponsorships	0.39	0.53	1.80	962	0.07	0.26	0.15	-0.02	0.55
Aware of orchestral music sponsorships	0.07	0.80	-1.26	962	0.21	-0.18	0.14	-0.45	0.10
Aware of contemporary art sponsorships	0.16	0.68	-3.27	962	0.00	-0.46	0.14	-0.74	-0.18

Table 23: Independent sample t-test for sponsorship impact on favorability (source Brand Equity Monitor)

The differences between sailing sponsorships and contemporary art sponsorships turn out to be significant (2-tailed), while orchestral music sponsorship does not show a significant coefficient. For golf, there is an opposite trend to other platforms. A significance level of 0.07 is observed, thus it

³⁶⁴ The independent sample t-test is used to compare the mean of a variable across two independent subgroups. There is also the possibility to conduct a paired-sample t-test, however this option is only used when there is a functional relationship between the two observed subgroups (e.g. asking a question to the same group of respondents on two different points in time). For more information about independent- and paired-samples t-test see e.g. Brosius (2002), p. 452ff.

must be assumed that these differences are not statistically valid. Another interesting piece of information can be retrieved when looking at the 95% confidence intervals: Respondents who are aware of sailing sponsorship have a favorability score that is 0.4 to 0.9 points higher than those unaware with a probability of 95%. With contemporary art, the range is approximately 0.2 to 0.8; with orchestral music and golf, no clear trend can be observed for the 95% confidence interval.

As a second step, now all the different sponsorships are put into one model and impact scores are computed simultaneously. This is done by applying the regression model as specified in figure 44 to the BEM data. Four different predictors are included in the model (awareness of golf, sailing, contemporary art and orchestral music sponsorships) which affect one dependent variable (brand favorability). The results of this model are shown in table 24:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.827	.071		82.592	.000
	Aware of sailing sponsorships	.768	.168	.153	4.572	.000
	Aware of orchestral music sponsorships	-.093	.201	-.017	-.462	.644
	Aware of contemporary art sponsorships	.505	.217	.086	2.325	.020
	Aware of golf sponsorships	-.461	.177	-.085	-2.606	.009

Table 24: Linear regression on brand favorability (source: Brand Equity Monitor)

The results are again similar to the results of the crosstab analysis: The highest impact is found for awareness of sailing sponsorship (beta=0.168, sig.=0.00) and contemporary art sponsorship (beta=0.086, sig.=0.02), while no significant impact is observed for orchestral music sponsorship (beta=-0.017, sig.=0.64). Again, the coefficient for golf goes into the opposite direction than all the other regression coefficients (beta=-0.41), and this time it is even on a statistically significant level (sig.=0.01).

Further indication about the explanatory power of the regression analysis can be obtained when looking at the R^2 value.³⁶⁵ The higher the R^2 value, the higher the explanatory power of the regression as a whole. Overall, this model does not succeed in predicting the favorability value to a high degree. An R^2 of 0.039 shows that only approximately 4% of the dependent variable's variance can be explained with the predictors. Thus, to really get to a robust model to predict the favorability score, additional variables would need to be included.

³⁶⁵ for details about the calculation of the R^2 value see section 8.3.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.197 ^a	.039	.035	1.85213

^a. Predictors: (Constant), Aware of golf sponsorships, Aware of sailing sponsorships, Aware of orchestral music sponsorships, Aware of contemporary art sponsorships

Table 25: R^2 of linear regression on brand favorability (source: Brand Equity Monitor)

Discussion of the results

Two hypotheses from section 7.3 were observed in this section: h3a claimed that awareness of sponsorships has an impact on brand favorability, and h3b claimed that the impact does not depend on the sponsorship area. With regard to h3a, it can be stated that the overall effect of sponsorship awareness seems to be basically positive. However, obviously there are individual sponsorship areas that have no or even a negative impact on brand favorability. Thus, h3a can be partly accepted, and h3b must be clearly refused.

The interesting point is now to consider how such a large difference between the individual sponsorship platforms can be explained. To analyze the differences a bit closer, further analysis of the BEM data is necessary. Additionally, it might be important to know a bit more about the background about the different sponsorship platforms to explain why the differences emerged.

- Sailing: It might be important to know that this can be considered as one of the most successful and most visible sponsorships that the company had ever done, with high press impact and a large activation campaign. Already in the years before the America's Cup in 2007, the wealth management company was able to communicate its involvement and commitment to sailing to a very wide audience. When looking at the sponsorship awareness figures, it can be confirmed that this might be one of the most outstanding sponsorships ever: Awareness of the sailing sponsorship in Switzerland was at 87% (!) over the period of 2005-2006, and at 20% in other European countries (France, Germany, Italy, Spain and UK). This is considerably higher than any of the other sponsorship platforms, where awareness varies from 20-40% in Switzerland and 5-15% in Europe. An exception is the US, where awareness of the sailing sponsorship is only at 3-5%. This is a consequence of the regional focus of the activation campaign on European countries.
- Contemporary art: Awareness in this area is mainly based on the wealth management company's corporate art collection, which can be considered as one of the most important private art collections worldwide. Furthermore, an art fair and an art museum in Europe are

supported, which generated considerable press coverage.³⁶⁶ Similarly, as with sailing, the awareness of contemporary art sponsorships varies strongly between the regions. During the time from 2005 to 2006, awareness was 43% in Switzerland, 10% in the US and 8% in Europe on average. When looking at the regression results for each region individually, all the coefficients become insignificant except that of Europe, where the beta for contemporary art awareness is still positive at the 10% significance level.

- **Orchestral music:** The orchestral music platform varies strongly between the regions. In Europe and Switzerland, orchestral music sponsorship is mainly built around an orchestra that is fully funded by the company and that tours through different European countries every year. In the US, orchestral music properties include a variety of different local orchestras that are partly sponsored or co-sponsored by the company. Overall, the company did not manage to really achieve high awareness of its orchestral music sponsorships: Awareness levels are at 30% in Switzerland and approximately 10% in the US and Europe.
- **Golf:** with golf, a different picture can be found: Not only with regard to its impact on brand favorability compared to other platforms, but also with the regional approach of the wealth management company. The company introduced golf sponsorship in 2005 for the first time, and the main focus was put on one major-scale golf tournament in the US. In Europe, the company was just appearing as a co-sponsor of one medium-scale tournament. Thus, sponsorship awareness was highest in the US (20%), moderate in Switzerland (15%) and low in Europe (7%). With regard to the negative effect of golf, further investigation is needed. When running the regression model for each region individually, the beta remains negative in the US and Europe, though not at a statistically significant value.

Overall it can be concluded that the awareness of sponsorship might have some effect on brand favorability. However, results always depend on the individual sponsorship property and what communications are done by the sponsor. The regression model shows that sponsorship awareness is only a minor predictor for brand favorability (it explains only 4%), and other variables might have far more impact. Furthermore, when breaking down the overall results into geographical regions, most of the effects become insignificant.

9.2.2 Brand consideration

The question about brand consideration is very similar to the question about favorability as shown above. The main issue is if sponsorship has a positive impact on whether the HNWI target audience

³⁶⁶ cf. section 6.1.

would consider doing business with the sponsor, or if there is no effect. Moreover, it is not clear if any of the sponsorship areas have a more positive impact than others. As discussed in section 5.2, it must be assumed that there is a positive impact on brand consideration (h4a). Since there is a lack of studies that compare different types of sponsorship, it must be assumed that there is no difference (h4b).

Again, the hypotheses are examined using two different methods: First, a comparison of respondents who are aware of sponsorship vs. those who are not aware is made with regard to the respondent's brand consideration. Second, sponsorship awareness in different areas is used as a predictor of brand consideration and simultaneously put into a regression model.

Compared to the analysis of brand favorability as shown in the section above, two aspects are different for brand consideration: First, brand consideration is measured on a categorical level, thus a CATREG instead of linear multiple regression is used; second, data about consideration is also available in the pre-post studies, which might give additional insights. To prevent confusion, all results of the BEM analysis are shown first, and then the pre-post data will be presented.

Brand Equity Monitor results

Table 26 shows the breakdown of brand consideration by awareness of sponsorship in the area of sailing, golf, orchestral music and contemporary art.

		Aware of sailing sponsorships				Aware of golf sponsorships			
		no		yes		no		yes	
		Count	%	Count	%	Count	%	Count	%
Consideration	would not consider the company	646	36%	127	22%	616	33%	157	33%
	would consider the company	963	54%	289	51%	998	53%	254	53%
	company is among preferred firms	139	8%	132	23%	215	12%	56	12%
	company is the only firm	26	1%	21	4%	39	2%	8	2%
	Total	1774	100%	569	100%	1868	100%	475	100%

		Aware of orchestral music sponsorships				Aware of contemporary art sponsorships			
		no		yes		no		yes	
		Count	%	Count	%	Count	%	Count	%
Consideration	would not consider the company	653	35%	120	26%	688	35%	85	21%
	would consider the company	1008	53%	244	53%	1032	53%	220	55%
	company is among preferred firms	193	10%	78	17%	190	10%	81	20%
	company is the only firm	32	2%	15	3%	35	2%	12	3%
	Total	1886	100%	457	100%	1945	100	398	100%

Table 26: Cross tabulation of brand consideration and sponsorship awareness (source: Brand Equity Monitor)

A first impression can be obtained by looking just at the percentage of respondents who would not consider the company across the different subgroups (=first row in the table). It can be observed that these percentages drop with all the sponsorship platforms, except in the case of golf where it stays the same. The difference is highest with sailing and contemporary art sponsorships (a difference of 14 percentage points), for orchestral music the difference is 9 percentage points. Subsequently, the share of respondents who would consider the company (=all the other categories) is increasing for all the platforms except golf. Another way to look at the data is to add the top two boxes of the table (= company is the only firm + company is among preferred firms). This percentage increases from 9% to 27% for sailing, from 12% to 23% for contemporary art and from 12% to 20% for orchestral music. For golf, it stays at 14% for both subgroups.

A Pearson Chi-square test for significance of the differences is shown in table 27. It basically confirms that the differences are all significant on the 0.00 level, except in the case of golf where no significant differences are seen.

		Aware of sailing sponsorships	Aware of orchestral music sponsorships	Aware of contemporary art sponsorships	Aware of golf sponsorships
Consideration	Chi-square	125.474	27.269	54.404	.334
	df	3	3	3	3
	Sig.	.000*	.000*	.000*	.954

*. The Chi-square statistic is significant at the 0.05 level.

Table 27: Pearson Chi-square test for brand consideration (source: Brand Equity Monitor)

A further analysis is done by using all the different types of sponsorship awareness as predictors of brand consideration in a multiple regression. The regression model follows the same specification as

for brand favorability and is graphically shown in figure 44. Unlike brand favorability, consideration is measured on a categorical level, thus a CATREG regression model is used. Table 28 shown the results of the CATREG analysis.

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of sailing sponsorships	.203	.021	2	95.819	.000
Aware of orchestral music sponsorships	.037	.022	1	2.735	.098
Aware of contemporary art sponsorships	.087	.023	2	14.603	.000
Aware of golf sponsorships	-.023	.020	2	1.315	.269

Dependent Variable: Consideration

Table 28: Categorical regression on brand consideration (source: Brand Equity Monitor)

The results are very similar to the outcome of the crosstab analysis: Awareness of sailing sponsorship has the highest impact (beta=0.20, significance=0.00), followed by contemporary art (beta=0.09, significance=0.00). Orchestral music shows a smaller beta (0.04) which is no longer significant (sig. = 0.1). Golf is the only sponsorship platform which has a negative beta (-0.02), although not on a significant level.

Further insights can be obtained by looking at the correlation and the Importance value as calculated with the CATREG procedure. These results are displayed in table 29:

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transformation	Before Transformation
Aware of sailing sponsorships	.231	.199	.196	.734	.932	.932
Aware of orchestral music sponsorships	.107	.034	.033	.062	.795	.795
Aware of contemporary art sponsorships	.149	.079	.077	.203	.774	.774
Aware of golf sponsorships	-.001	-.024	-.023	.001	.961	.961

Dependent Variable: Consideration

Table 29: Correlations, Importance and tolerance of the categorical regression on brand consideration (source: Brand Equity Monitor)

These metrics show again the same picture as above: Awareness of sailing sponsorship has the highest correlation with brand consideration (zero-order and partial) and by far the highest Importance value (0.73). It is followed by contemporary art sponsorship and orchestral music (Importance=0.20 and 0.06). Golf does not show any correlation, and has an Importance value of 0.0.

Again it might be useful to look at the explanatory power of the regression model overall. The model shows an R^2 of 0.06, which means that only 6% of the variation in brand consideration can be explained with sponsorship awareness. It must thus be assumed that sponsorship plays only a minor role in building brand consideration, and other variables would need to be included to appropriately predict brand consideration.

Pre-post studies

Since the pre-post studies measure the development of brand metrics over time, it might be interesting to compare brand consideration before and after the events. However, it is also important to know if respondents who are sponsorship aware have a different consideration than those unaware. To get a high degree of comparability with the BEM analysis, both waves of the pre- and post-studies are merged and the same statistical analysis is made (crosstab analysis and regression models).

Brand consideration was included in only two out of four pre-post studies, namely the APAC golf tournament and the art exhibition in Europe. Thus, only these studies will be observed and no analysis can be done for the US golf tournament and US art exhibition.

Table 30 shows the cross-tabulation of brand consideration with sponsorship awareness.

Study			Aware of Sponsorship				Total	
			no		yes		Count	%
			Count	%	Count	%		
Golf tournament (APAC)	Brand consideration	would not consider the company	2	9%	4	4%	6	5%
		would consider company	12	55%	42	45%	54	47%
		company is among preferred firms	8	36%	45	48%	53	46%
		company is the only firm			2	2%	2	2%
	Total		22	100%	93	100%	115	100%
Art exhibition (Europe)	Brand consideration	would not consider the company	6	16%	4	31%	10	20%
		would consider company	28	74%	5	38%	33	65%
		company is among preferred firms	4	11%	4	31%	8	16%
	Total		38	100%	13	100%	51	100%

Table 30: Cross tabulation of brand consideration and sponsorship awareness (source: pre-post studies)

Again, it makes sense to just look at the percentage of respondents who would not consider the company at all. This percentage is generally low for the APAC golf tournament and is slightly different for those who know about the sponsorship (4%) versus those who do not (9%). When looking at the art exhibition in Europe, larger differences can be observed: 31% of respondents who know about the sponsorship would not consider the firm, while among those who do not know about the sponsorship only 16% would not consider the firm.

Another way of looking at the data is to compare the share of respondents who name the company as their preferred firm (= bottom two boxes). This percentage is at 36% in APAC among respondents who do not know about the sponsorship, and considerably higher among respondents who know about it (50%). Even a larger difference can be found with regard to the art exhibition in Europe (11% consideration among those who are not sponsorship aware and 31% consideration among those who are aware).

Thus, there seem to be quite large differences between the observed subgroups. To see if the differences are significant, a Pearson Chi-square test is shown in table 31:

		Study	
		Golf tournament (APAC)	Art exhibition (Europe)
		Aware of Sponsorship	Aware of Sponsorship
Brand consideration	Chi-square	2.147	5.496
	df	3	2
	Sig.	.542 ^{a,b}	.064 ^a

^a. More than 20% of cells in this subtable have expected cell counts less than 5. Chi-square results may be invalid.

^b. The minimum expected cell count in this subtable is less than one. Chi-square results may be invalid.

Table 31: Chi-square test for brand consideration (source: pre-post studies)

Obviously the differences for the APAC tournament are not significant, and for the art exhibition the distribution changes are only on a weak significance level (sig.=0.06). Thus, it can be concluded that neither the awareness of the golf sponsorship in APAC nor the art exhibition in Europe had a large influence on respondent's brand consideration.³⁶⁷

In a next step, an analysis will be made to consider if additional insights can be gained from the regression analysis. Again, a CATREG routine will be applied to the sponsorship awareness variables

³⁶⁷ When looking at significance testing it must be taken into consideration that the analysis was done on a very small number of cases (=n). Since brand consideration is only asked in the case of respondents who are very or somewhat familiar with the company, the overall number of records in the pre-post studies is reduced quite drastically. For the APAC golf tournament, n was 115; for the art exhibition, n was only 51. The distribution of these respondents among the crosstabulation leads to very low numbers for each individual cell. If n is <5 in more than 20% of the cells, then the Pearson Chi-Square results may be invalid.

as predictors and brand consideration as a dependent variables. Since only one sponsorship was included in each pre-post study, only one predictor will be used for each study.

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of Sponsorship	.137	.094	2	2.131	.124
Dependent Variable: Brand consideration					

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of Sponsorship	.243	.140	2	3.001	.059
Dependent Variable: Brand consideration					

Table 32: Categorical regressions on brand consideration

The results show a similar picture as that of the crosstab analysis. The beta is positive in both studies, but not on a statistically significant level. Unlike the crosstab significance testing, this time the APAC golf tournament shows a more significant impact (sig. =0.06) than the art exhibition (sig. = 0.12). This is a consequence of a clearer effect when taking into consideration the different dimensions of consideration. While the Chi-square test just states that the distribution of the brand consideration dimensions are different within the two subgroups, the regression observes the direction of the impact.³⁶⁸

Furthermore, an indication about the effectiveness of the regression models can be obtained when looking at the R^2 . These values are at 0.02 for the APAC golf tournament and 0.06 for the European art exhibition. Thus, the regression models turn out to be very ineffective in explaining brand consideration.

Discussion of the results

Two hypotheses were analyzed in this section: First, if sponsorship awareness has a positive impact on brand consideration (h4a); and second, if there are any differences between the individual sponsorship platforms (h4b). It was originally assumed that sponsorship awareness has an influence on brand consideration and that there are no differences between the sponsorship platforms.

³⁶⁸ Indeed, when looking at the crosstabulation for the APAC golf tournament, it shows that the dimensions of the consideration variable change in the same direction when comparing sponsorship aware vs. not aware. When looking at the art exhibition, there is no clear trend. In fact, the top box (company is among preferred firms) increases, but also the bottom box (company would not be considered) increases at the same time. The result is that there is a strong increase in the middle box (would consider company), which does not testify a clear direction of the impact.

Overall, similar observations as in the case of brand favorability can be made for brand consideration. There seems to be a general positive impact, although there are some differences between the areas of sponsorship. For example, while for sailing and contemporary art, a positive influence was measured, there was only a slight impact measured for orchestral music sponsorship, and no measurable effect at all for golf. Thus, h4a can be tentatively accepted while h4b must clearly be rejected.

To explain the reasons for the different effects of the various sponsorship platforms, the same remarks can be made as for brand favorability:³⁶⁹

- The amount of impact may depend on the awareness level of different sponsorships. While for sailing, a high level of awareness can be observed in all countries except in the US, awareness of golf is very low in all countries except in the US. This is a consequence of the different geographical approaches of the sponsorship activation. With regard to cultural sponsorships, awareness is somewhere between golf and sailing.
- Understanding the regional differences in sponsorship awareness may require some area-specific additional analysis. When taking into consideration the region, the effects are similar in terms of their direction, but regression coefficients and Chi-square tests turn out to be insignificant in most cases.

Overall, it can be followed that there might be a general impact of sponsorship awareness on consideration, but results are very likely to differ with regard to the actual circumstances of the sponsorship, namely the sponsorship area as well as the geographical region. To have a more in-depth explanation of the factors that lead to higher brand consideration, further research would be needed, and sponsorship activation tactics would need to be investigated in detail.

9.3. Impact on image transfer

As seen in chapter 5, quite a few empirical investigations about the image transfer of sponsorship to the sponsor have already been conducted, and image transfer has already been subject to a number of theoretical investigations.³⁷⁰ In this section, it will be shown what can be learned about image transfer from the examined wealth management company's measurement results. There will be two areas of investigation: First it will be analyzed what images are transferred by sponsorship in general, with a broad distinction of sports vs. cultural sponsorship (h5a/h5b); second, it will be

³⁶⁹ cf. the discussion of section 9.2.1.

³⁷⁰ cf. section 4.3. A good overview of theoretical explanations of image transfer is given in Glogger (1999).

observed what specific image attributes are transferred by each sponsorship area (golf, sailing, orchestral music and contemporary art, h6a-h6d). The assumption therein is that area-specific image transfer is similar within one sponsorship area and different across the individual platforms.

9.3.1 Generic image transfer

This section investigates the level at which generic image values are transferred to a company just by the fact that it is active in sponsorship. As already observed in chapter 5, former empirical work suggests that there is a general transfer of values such as stability, success or social responsibility.³⁷¹ However, there has never been an investigation if some of these attributes are transferred more strongly by particular kinds of sponsorship, such as sports or cultural activities. The chapter therefore examines the following hypotheses:

h5a: There is a generic transfer of image values through sponsorship.

h5b: The transfer of generic image values is identical for sports and cultural sponsorship.

The general image transfer is measured using a few generic statements about sponsorship, which are each assessed for sports and cultural sponsorship.³⁷² A further division into more specific sponsorship areas (golf vs. sailing) is not done. A 5-point scale is used as an answer scale that ranges from 1 (disagree strongly) to 5 (agree strongly). To simplify the results, percentages of the top 2 boxes (values 4 + 5) and those of the bottom 2 boxes (values 1 + 2) are combined in further columns in the table below,³⁷³ which provides at a glance a quick overview about the main tendencies of the results.

³⁷¹ See more details about generic image transfer in section 5.2.2.

³⁷² For the exact wording of the generic image transfer question see section 8.2.4.

³⁷³ The calculation of top 2 boxes and bottom 2 boxes is very common in the market research industry. Referring to a 5-point agreement scale, top 2 boxes are usually labelled as 'agree' and bottom 2 boxes as 'disagree'. The remaining respondents are categorized as 'neutral'.

	1 - Disagree strongly %	2 %	3 %	4 %	5 - Agree strongly %	Don't know %	Total %		Bottom 2 box %
Sports sponsorship								Top 2 box %	
The firm is financially stable	7%	11%	23%	33%	23%	2%	100%	56%	18%
The firm is successful	5%	9%	29%	32%	22%	2%	100%	54%	15%
The firm is one I feel more positively towards	12%	12%	27%	29%	17%	2%	100%	47%	25%
The firm is innovative	11%	12%	33%	27%	15%	2%	100%	42%	23%
The firm is a leader in its field	13%	20%	27%	25%	13%	2%	100%	37%	33%
The firm is one I would consider doing business with	17%	16%	31%	23%	13%	2%	100%	35%	32%
The firm is wasting its money with sponsorship	40%	29%	16%	7%	5%	2%	100%	12%	70%
Cultural sponsorship	%	%	%	%	%	%	%	%	%
The firm is financially stable	5%	9%	27%	37%	20%	2%	100%	56%	14%
The firm is successful	5%	8%	28%	36%	20%	2%	100%	57%	14%
The firm is one I feel more positively towards	6%	9%	26%	36%	21%	1%	100%	57%	15%
The firm is innovative	10%	13%	32%	29%	14%	2%	100%	43%	23%
The firm is a leader in its field	11%	16%	32%	26%	13%	2%	100%	39%	27%
The firm is one I would consider doing business with	10%	14%	31%	30%	13%	2%	100%	44%	24%
The firm is wasting its money with sponsorship	41%	28%	18%	7%	4%	2%	100%	12%	69%

Table 33: Transfer of generic image values with sports and cultural sponsorship (source: Global Sponsorship Survey)

This table provides some interesting results. First, the overall ranking of the image values needs to be considered. On the top are the aspects of financial stability and success: For both the sports and the cultural area, more than 50% would say that sponsorship conveys that the sponsor is financially stable and successful. This is a result that has already similarly been observed by other researchers, as shown earlier in chapter 5. Just the fact that a company is active in sponsorship already seems to send out the message that the company is stable and that it belongs to the firms that are more successful than others. Financial stability and success are among the key images that every brand would like to build. Thus sports as well as cultural sponsorship seem to be very suitable means to achieve this goal.

A bit less impact can be found with attributes such as 'leadership' and 'innovation'. Also there, the majority of respondents would agree that these attributes are transferred to the sponsor. 'Innovativeness' scores slightly better than 'leadership', but with both attributes approximately 40% of respondents see a positive effect. It might be important to mention that while the top 2 boxes show slightly lower values here than in the case of financial stability and success, the bottom 2 boxes are increasing, meaning that a higher share of respondents are indifferent with regard to the effect on innovation and leadership. Again, very little difference is seen between sports and cultural sponsorships.

A slightly different picture can be found for the transfer of positive feelings and consideration:³⁷⁴ Also here, it can be observed that the overall effect seems to be positive, since a large share of respondents claim that sponsorship has an impact on their general image and that they would consider doing business with the sponsor. However, for these metrics quite a large difference between sports and cultural sponsorship can be seen. For the general positive feelings effect, 57% can be measured for the top 2 boxes, while for sports sponsorship it is only 47%. Likewise when looking at the perceived consideration of the sponsor, cultural sponsorship scores far higher than sports (44% vs. 35% for the top 2 boxes).

One statement was included to measure how respondents rate the marketing efficiency of sponsorship investments (measured as "the firm is wasting its money with sponsorship"). This item shows a very different response pattern than all the other items: Only a minority would agree with it (top 2 boxes 12%), while most of the respondents would disagree or strongly disagree (bottom 2 boxes 70%). Thus, respondents in general think that companies make a good choice when investing in sponsorships. In this respect, here no differences between sports and cultural sponsorship are observed.

To check if the differences between the image impact of sports and cultural sponsorships are statistically significant, a Wilcoxon Signed Ranks Test is conducted.³⁷⁵

	The firm is a leader in its field	The firm is financially stable	The firm is successful	The firm is innovative	The firm is wasting its money with sponsorship -	The firm is one I feel more positively towards	The firm is one I would consider doing business with
Z	-3.308 ^a	-.313 ^a	-.607 ^a	-.668 ^a	-.185 ^b	-8.041 ^a	-7.582 ^a
Asymp. Sig. (2-tailed)	.001	.754	.544	.504	.853	.000	.000

^a. Based on negative ranks.
^b. Based on positive ranks.

Table 34: Wilcoxon Signed Ranks Test for image transfer in cultural vs. sports sponsorships (source: global sponsorship study)

The table above shows that there are no significant differences between sports and cultural sponsorships in term of transferring the image of financial stability, success, innovativeness and marketing efficiency. However, significant differences are found with the transfer of positive feelings and consideration. These items are even statistically significant on a 0.00 level, thus it must

³⁷⁴ The consideration attribute may resemble the brand consideration metric as analyzed in the section before. Although it covers a very similar topic area, these two metrics can not be considered the same. The main difference is the way the metrics are operationalized: While the brand consideration metric has four parameter values, the consideration metric in the image transfer section is just measured on a 5-point agreement scale.

³⁷⁵ For more details about the Wilcoxon Signed Ranks Test test see section 8.3.

be assumed that cultural sponsorship succeeds in transferring these values to a higher extent than sports sponsorship.

Additional insights can be gained when looking at the difference in ranking between these items in sports and cultural sponsorship. For sports sponsorship, financial stability and success rank highest; whereas for cultural sponsorship, the transfer of positive feelings is on the top, and financial stability is merely at rank 3. Thus, it can be followed that the transfer of positive feelings is one of the main benefits of cultural sponsorship, while the transmission of financial stability as an image value is the main advantage of sports sponsorship.

Another interesting question is to which degree these differences are applicable to different regions. It might be that perception of sports and cultural sponsorship differs depending on cultural differences between individual countries. These results are shown in table 35. To keep the table lean, only top 2 box and bottom 2 box are shown on a regional level.

Top 2 box					Bottom 2 box			
	CH	US	Europe	APAC	CH	US	Europe	APAC
	%	%	%	%	%	%	%	%
Sports sponsorship								
The firm is financially stable	58%	44%	51%	69%	17%	32%	20%	9%
The firm is successful	56%	47%	47%	66%	15%	21%	20%	6%
The firm is one I feel more positively towards	43%	29%	40%	66%	28%	42%	30%	8%
The firm is innovative	42%	18%	41%	55%	24%	49%	26%	7%
The firm is a leader in its field	37%	25%	32%	50%	38%	46%	37%	21%
The firm is one I would consider doing business with	32%	20%	32%	48%	38%	48%	37%	15%
The firm is wasting its money with sponsorship	12%	22%	14%	5%	70%	62%	63%	82%
Cultural sponsorship	%	%	%	%	%	%	%	%
The firm is financially stable	58%	50%	49%	68%	16%	20%	18%	6%
The firm is successful	57%	54%	50%	67%	14%	17%	18%	7%
The firm is one I feel more positively towards	55%	60%	49%	65%	19%	17%	20%	7%
The firm is innovative	44%	35%	39%	53%	23%	33%	29%	10%
The firm is a leader in its field	38%	37%	33%	49%	33%	32%	32%	16%
The firm is one I would consider doing business with	45%	46%	38%	49%	25%	24%	33%	12%
The firm is wasting its money with sponsorship	10%	8%	19%	6%	75%	77%	58%	75%

Table 35: Transfer of generic images with sports and cultural sponsorships split by geographical region (source: global sponsorship study)

This table also shows some interesting results, as there are quite a few differences between the regions.

- *Switzerland*: Switzerland follows quite exactly the pattern that was observed for the overall sample of countries. The various items do not show any strong difference between sports and culture, except for the two items that were also significant in the total sample. Looking at the

items overall, the image transfer in Switzerland is higher than in the rest of Europe, but comparable to APAC.

- *Europe*: In Europe, a similar pattern is found as in Switzerland. There are main differences with regard to the items 'positive feelings' and 'consideration', while all the other items score quite the same between sports and culture. Looking at all items overall, there is slightly less image transfer in Europe than in most other regions.
- *US*: There seems to be a major difference in the US between the perception of cultural and sports sponsorship. All items are transferred considerably stronger with cultural than with sports sponsorship. The top 2 boxes range from 20% to 50% for sports, and from 40% to 60% for culture. Especially when looking at the last item, it becomes clear that US citizens seem to have a quite critical attitude towards sports sponsorship: 22% would agree that companies are wasting their money with sports sponsorships. For cultural sponsorships, only 8% would say so.
- *APAC*: APAC is quite different from all the other regions in two respects: First, the general level of image transfer is higher in APAC than in all the other regions. The top 2 boxes range from 50 to 70% for both sports and cultural sponsorships, which shows that respondents in APAC seem to have a very good opinion about sponsorship in general: Hardly anybody disagreed with any of the items (the bottom 2 boxes are typically lower than 10%). Second, there seems to be very little difference between sports and cultural sponsorship, as both are rated at nearly the same level.

A Wilcoxon Signed Ranks test was conducted to check the differences between sports and cultural sponsorship in the different regions for significance.

Region		The firm is a leader in its field	The firm is financially stable	The firm is successful	The firm is innovative	The firm is wasting its money with sponsorship	The firm is one I feel more positively towards	The firm is one I would consider doing business with
CH	Z	-.877 ^a	-.526 ^a	-.763 ^a	-1.048 ^a	-2.035 ^b	-3.453 ^a	-4.702 ^a
	Asymp. Sig. (2-tailed)	.381	.599	.445	.295	.042	.001	.000
US	Z	-5.735 ^a	-3.219 ^a	-1.544 ^a	-5.659 ^a	-3.976 ^b	-7.154 ^a	-7.331 ^a
	Asymp. Sig. (2-tailed)	.000	.001	.123	.000	.000	.000	.000
Europe	Z	-.542 ^a	-.939 ^b	-.126 ^a	-2.211 ^b	-1.515 ^a	-4.684 ^a	-2.529 ^a
	Asymp. Sig. (2-tailed)	.588	.348	.900	.027	.130	.000	.011
APAC	Z	-.732 ^a	-1.558 ^b	-.817 ^b	-1.112 ^b	-2.294 ^a	-.191 ^b	-.986 ^a
	Asymp. Sig. (2-tailed)	.464	.119	.414	.266	.022	.848	.324

^a. Based on negative ranks.

^b. Based on positive ranks.

Table 36: Wilcoxon Signed Ranks Test for image transfer in cultural vs. sports sponsorships, split by geographical region (source: Global sponsorship study)

This test confirms the results as outlined above: In Switzerland, significant differences can only be found for 'positive feelings' and 'consideration'. Also the 'wasting money' item is significant in Switzerland on a 0.05 level. In the US, nearly all the items are statistically significant, with cultural sponsorship having more image effect in nearly all respects as compared to sports. In Europe, results are similar to Switzerland, with the additional effect that 'innovative' is significantly better transferred with cultural sponsorship. In APAC, no significant differences were found except in the case of 'wasting money' being significantly more associated with sports sponsorship.

Discussion of the results

This section investigated if there is a transfer of generic image values just by the fact that a company is sponsoring, and if this transfer differs between sports and cultural sponsorship. It was assumed that there is a transfer of generic images (h5a) and that there are no differences between sports and cultural sponsorships (h5b). The results show that indeed there is a transfer of generic values such as stability, success, leadership or innovation to a large part of the target audience. However, results also reveal that there are differences between sports and cultural sponsorships: While sports sponsorship most strongly conveys the image of financial stability and success, cultural sponsorship is stronger in increasing the positive feelings towards the sponsor and the willingness to consider doing business with this firm. Therefore, h5a can be accepted while h5b must be refused.

It might be interesting to look further for explanations for these differences. Why does cultural sponsorship transfer more positive images to the sponsor than sports sponsorship? The reason could lie in the closeness of cultural sponsorship activities to the field of corporate social responsibility. The wealth management firm had previously conducted a global qualitative study to get insights into how different sponsorships are perceived. One of the main findings of this study was that there are differences, mainly in terms of the level of perceived commercialization: Cultural sponsorships were consistently perceived as non-commercial activities that are very much linked to the idea of demonstrating corporate social responsibility and giving back to community, while sports sponsorship was perceived as a rather commercial marketing activity that is close to traditional advertising.³⁷⁶ Cultural areas, such as classical music and contemporary art, are more elevated in people's assessment as community building prerequisites than sports areas.³⁷⁷

The most intriguing results, however, are the differences between the regions. Obviously, there is a different perception of sponsorship in Europe, the US and APAC. While in Europe sports and

³⁷⁶ This was a key finding of the qualitative part of the global sponsorship study that was conducted earlier by the wealth management firm.

³⁷⁷ In further studies, it was also proved that HNWI are in average more interested in cultural areas such as classical music than in sports areas. If the study was conducted among a retail target audience, these results might have come out very differently.

cultural sponsorships are assessed similarly, but with a slight difference with regard to the respondents' emotional impact (positive feelings and consideration), there is no such difference in APAC: There sports and cultural sponsorships are perceived in exactly the same way. In the US on the other hand, feelings towards cultural sponsorship seems to be much more positive in all respects compared to sports. How can this be explained?

To find reasons for these differences, other data sources would need to be considered. From the qualitative study that the wealth management company had previously conducted, some clues have been gathered indicating a link to the countries' cultural background. In the US for example, cultural events very much depend on the support of companies since very few subsidies are provided by the government. Thus, without commercial sponsorship, most cultural events could not even take place, which leads to a perception of cultural sponsorship as a necessary prerequisite for cultural events. On the other hand, in the area of sports a perception of over-commercialization was observed in the US, with nearly every sports event being commercially exploited to the limit and athletes or teams being over-branded with corporate logos. In Europe, cultural events are strongly state-subsidized, and involvement of commercial sponsors in culture is not seen as a prerequisite for the existence of these events. At the same time, sports events are not perceived as over-commercialized, which leads to smaller image differences between cultural and sports sponsorship. However, people in Europe would rather see more cultural sponsorship activities, which are very well received on an emotional level, as a form of corporate social responsibility. In APAC, things are a bit different mainly since sponsorship is a fairly new form of marketing. Most APAC countries have not gone through the different stages of sponsorships as identified in chapter 2 yet; thus sponsorship is a relatively new field and consumers are just getting used to this marketing activity. Therefore, no perception of over-exploitation exists as yet, neither in the cultural nor in the sports area. Maybe after a certain time, when sponsorship is more institutionalized, the perception of sponsorship in APAC will become more similar to that in the US or Europe.

9.3.2 Area-specific image transfer

In this section it will be observed to what extent the transfer of image attributes differ between the individual areas where the wealth management company is involved. After having seen that a generic image value transfer does take place, an analysis will be made to consider what actual image attributes are transferred specifically to each sponsorship area. The following hypothesis is observed:

h6a-d: Awareness of a sponsorship in a specific area leads to an image transfer of area-specific attributes to the sponsor (sponsorship areas are: golf, sailing, orchestral music and contemporary art). Image transfer is similar within a sponsorship area.

To analyze this hypothesis, data from on-site surveys are taken as a base. Area-specific image attributes are only available in on-site surveys, since very specific questions about one singular sponsorship could be included in the survey. No data from the Brand Equity Monitor or the global sponsorship study is available.

The investigation about image transfer by individual events will not be based on multivariate statistics, but only on descriptive frequency statistics. As a measure for image transfer, the 'net positive image effect' is taken as a standard metric.³⁷⁸ This metric is calculated by subtracting the share of visitors who think there is a negative image effect with regard to one attribute from the share of visitors who think there is a positive image effect. Thus, the 'net positive image effect' shows on what percentage of visitors there is a positive image effect by considering the visitors who have stated a negative effect.

Overall the image transfer question was included in 11 on-site surveys: 2 contemporary art fairs, 3 golf tournaments, 5 orchestral music concerts and one sailing regatta.³⁷⁹

Orchestral music

Image transfer was measured at five classical concerts where the wealth management company appeared as the main sponsor. Five image attributes were included in all the orchestral music studies: passion / dedication, discipline, teamwork, expertise, commitment and pursuit of excellence.³⁸⁰ The table below shows the net positive image effect values.

Image attribute	Concert US %	Concert Europe (1) %	Concert Europe (2) %	Concert Europe (3) %	Festival Europe %	Average %
Commitment	46%	55%	68%	65%	55%	58%
Pursuit of excellence	38%	61%	73%	56%	45%	55%
Teamwork	32%	38%	47%	26%	34%	35%
Passion / Dedication	30%	46%	53%	8%	29%	33%
Discipline	26%	21%	26%	34%	22%	26%
Expertise	25%	21%	33%	13%	29%	24%

Table 37: Net positive image effect for orchestral music sponsorships (source: on-site surveys)

³⁷⁸ cf. section 8.2.4

³⁷⁹ Actually within the time period of 2005 to 2006 the wealth management company conducted a couple more on-site surveys, but none of these contained the image transfer question. More details about the sample size and composition of the different on-site studies are provided in appendix A.

³⁸⁰ The process how these attributes were defined is shown in section 8.2.

Looking at the average value (last column) makes clear that 'commitment' and 'pursuit of excellence' are the values that are generally most strongly transferred to the sponsor, far ahead of all other attributes. There was a positive image effect among 58% of respondents with regard to 'commitment' and 55% with regard to 'pursuit of excellence'. This is followed by 'teamwork' (35% positive effect), 'passion / dedication' (33%), 'discipline' (26%) and 'expertise' (24%). The order of these attributes is very consistent across the events. For all the five studies, 'commitment' and 'pursuit of excellence' are the attributes with highest image transfer rating; in 4 out of 5 studies, 'discipline' and 'expertise' score lowest. It seems that the more emotional attributes (commitment, excellence) are transferred more strongly with orchestral music sponsorships than the more 'hard fact'-oriented attributes (discipline, expertise).

Contemporary art

The image impact of sponsorship was measured at two art fairs, one in Europe and one in the US. The image transfer question included 5 attributes: professionalism, quality, dynamism, creativity and innovation. The table below shows the net positive image effect of each attribute in the two observed events.

Image attribute	Art fair Europe %	Art fair US %	Average %
Professionalism	41%	70%	56%
Quality	39%	71%	55%
Dynamism	35%	61%	48%
Creativity	28%	68%	48%
Innovation	20%	61%	40%

Table 38: Net positive image effect for contemporary art sponsorships (source: on-site surveys)

The most obvious difference between the two events is the general level of the net positive image transfer: While at the art fair in Europe the net positive image effect ranges from 20% to 40%, the effects at the art fair in the US range between 60% and 70%. This is consistent with the finding in the previous section, where in the US a very positive image was associated with cultural sponsorship.

With regard to the ranking of the image attributes, again some consistency can be found across the events: In both art fairs, 'professionalism' and 'quality' were transferred most strongly, while 'dynamism' and 'innovation' were transferred at a lower level. With regard to 'creativity' there are some discrepancies, which might be a consequence of different sponsorship activation in the two regions.

Golf

On-site surveys were conducted during three golf tournaments, two of them in APAC and one in the Europe. The image transfer question included five attributes: confidence, will to succeed, passion / dedication, thinking ahead and striving for perfection. The net positive image effect is shown in the table below.

Image attribute	Golf event Europe %	Golf event APAC (1) %	Golf event APAC (2) %	Average %
Confidence	60%	20%	48%	43%
Will to succeed	61%	22%	26%	36%
Passion / dedication	52%	19%	35%	35%
Thinking ahead	53%	16%	30%	33%
Striving for perfection	49%	17%	30%	32%

Table 39: Net positive image effect for golf sponsorships (source: on-site surveys)

The results show that with golf, the differences between the individual attributes are less strong than with other platforms. The net positive image effects range between 50% and 60% for the European tournament, between 15% and 25% for the first APAC golf event and between 30% and 50% for the second APAC golf event. Thus, the range of the effects across the attributes is smaller than with orchestral music and contemporary art, and the image transfer effect is very similar across the five attributes. In average, 'confidence' was transferred the most, and 'striving for perfection' the least.

It is surprising how strongly the net positive image effects vary between the events: In average, the effects were three times as strong at the European golf event compared to the first APAC golf event, and twice as strong at the second APAC golf event. However, this effect must not be over-interpreted. Actually most of this difference is just a consequence of different levels of brand knowledge in the different countries: While in the country of the APAC golf event 1, the wealth management company had just started to build its presence a few years ago, it has been present for a very long time in the country where the European golf event was held. The consequence was simply that in the APAC golf event 1, a very large proportion of respondents answered 'don't know' to the image transfer questions, while in Europe most respondents were able to give an indication. When not considering the 'don't knows', the relative level of net positive image effect would be on a comparable level across the events.

Sailing

There has only been one sailing event where the wealth management company was allowed to conduct an on-site survey. The image transfer question included the following five attributes:

professionalism, will to succeed, teamwork, partnership, leadership, passion / dedication and expertise. The results of the net positive image effect are shown in the table below:

Image attribute	Regatta Europe %
Professionalism	56%
Will to succeed	49%
Teamwork	49%
Partnership	38%
Leadership	36%
Passion / dedication	35%
Expertise	31%

Table 40: Net positive image effect for sailing sponsorships (source: on-site surveys)

Results show that there are quite large differences between the attributes: 'Professionalism' is conveyed the most (59% net positive effect), and 'expertise' the least (31%). 'Will to succeed' and 'teamwork' are also transferred to approx. 50% of the respondents. 'Partnership', 'leadership' and 'passion / dedication' are located in between with a net image effect of 35%-40%. Since no other sailing event was measured, no cross-event comparisons can be done.

Discussion of the results

This section investigated to what extent individual sponsorship platforms are useful in transferring specific image attributes to the sponsor, and if the transferred image attributes are consistent across the events within a platform (h6a-d). The results of the onsite survey reveal two things: First, the majority of event visitors would say that at least one image attribute applies more strongly to the sponsor due to the sponsorship; second, the attributes are transferred quite consistently within each platform (golf, sailing, orchestral music, contemporary art). Thus, h6a-d can be accepted.

It might be interesting to additionally look at differences across the four platforms. Unfortunately, the possibility of cross-platform comparisons is very limited since every platform uses its own set of image attributes. However, some of the attributes are included in more than one platform, such as 'passion / dedication' (included in golf, orchestral music and sailings) 'will to succeed' (included in sailing and golf) and 'expertise' (included in sailing and orchestral music). When looking at the ranking of these attributes, it can be observed that they are in similar positions independent of the sponsorship platform: 'Passion / dedication' is about in the middle of the other attributes everywhere it was measured; 'will to succeed' is in the second position both for sailing and golf; and 'expertise' is rated lowest of all attributes in both sailing and orchestral music. Although this analysis just gives a very rough indication, it can be assumed that there are only little differences with regard to the transfer of image attributes across the sponsorship platforms.

9.4. Summary of the empirical results

After having discussed the empirical data quite in detail, this section gives an overview of the outcomes of the empirical analysis. The table below gives a summary of the hypotheses, the testing approaches and the results.

Nr	Hypothesis	Test approach	Result	Comment
h1	Sponsorship increases brand awareness.	Comparison of brand awareness in 4 pre-post studies.	Hypothesis approved	Evidence found in 3 out of 4 studies.
h2	Sponsorship increases brand familiarity.	Comparison of brand familiarity in 4 pre-post studies, regression modeling in BEM.	Hypothesis rejected	Sponsorship seems to have little impact on brand familiarity.
h3a	Sponsorship increases brand favorability.	Comparison of respondents sponsorship aware vs. not aware, regression models (BEM).	Hypothesis partly approved	Only a very small part of favorability can be explained with sponsorship.
h3b	There is no difference between sponsorship areas in h3a.	Comparisons on platform impact scores in a regression model on favorability (BEM).	Hypothesis rejected	Sailing and contemporary art have a different impact than orchestral music and golf.
h4a	Sponsorship increases brand consideration.	Comparison of respondents sponsorship aware vs. not aware, regression models (BEM, pre-post studies).	Hypothesis partly approved	Only a very small part of favorability can be explained with sponsorship.
h4b	There is no difference between sponsorship areas in h4a.	Comparisons on platform impact scores in a regression model on favorability (BEM, pre-post studies).	Hypothesis rejected	Sailing and contemporary art have a different impact than orchestral music and golf.
h5a	There is a transfer of general image values by sponsorship.	Ranking of values transferred by sponsorship (global sponsorship study).	Hypothesis approved	Strongest impact is found with 'financially stable' and 'successful'.
h5b	Generic value transfer is identical for sports vs. culture.	Comparison of image values transferred by sports and cultural sponsorship (global sponsorship study).	Hypothesis rejected	Cultural sponsorship transfers more positive feelings than sports sponsorship.
h6a-d	Image transfer is happening on an area-specific level.	Comparison of image transfer scores across the platforms (on-site surveys).	Hypothesis approved	Image transfer is consistent within the different platforms.

Table 41: Overview of hypotheses and empirical results

All in all, 3 of the 9 observed hypotheses were approved, 2 were just partly approved and 4 had to be rejected. This result may be an indication that a very differentiated look needs to be taken when trying to measure the impact of sponsorship on brand perception. In particular, the results of the 4 pre-post studies showed that results may depend very much on the individual sponsorship event. If positive results are measured for one event, this does not automatically mean that positive effects can be expected for all other events too. Since every sponsorship property is very individual and unique to a certain extent, the resulting impact on brand perception very much depends the communication and the individual circumstances of each sponsorship event.

Although the results may vary a great deal across different events and it may be hard to even compare between different sponsorships, a few central findings can be presented at this point based on the empirical testings done in this chapter. These findings can be summarized as follows:

1. Sponsorship communication can be useful to build brand awareness.

This finding may not seem so surprising. However, it is interesting to have some empirical proof of it. In three out of four pre-post studies, the observed wealth management company was able to increase its brand awareness over the period of a major sponsorship marketing campaign in a geographically defined area. Again, it must be stressed that sponsorship communication does not automatically have to result in an increased brand awareness. However, if it is planned and executed in a deliberate way, there might be quite a positive effect. The extent to which brand awareness is raised might depend on many different factors. One of main factors is certainly the focus of the communication campaign on the main target audience and not on the broader public.

2. Sponsorship communication has little impact on increasing brand familiarity.

This finding might be a bit more surprising, since increasing brand familiarity belongs to the most popular objectives of sponsorship engagements. Especially for this wealth management company, increasing familiarity has been defined as one of the top objectives for any sponsorship activity. However, the empirical analysis shows that neither was there any increase in brand familiarity from pre- to post-sponsorship campaign, nor was sponsorship more effective in raising brand familiarity than other marketing touch points. It seems that sponsorship might simply have an effect on the awareness that the company is active as a sponsor, yet only little knowledge about the company's reputation or products and services is conveyed through sponsorship communication. The challenge for sponsors in the future may be to better combine sponsorship communication with providing more information about what the company actually does and what it stands for. This might

especially be important in a market where there is only a low level of brand familiarity, such as in markets where the company just starts to build its presence.

3. Sponsorship awareness slightly increases brand favorability and consideration.

This might not seem to be a very surprising finding either, but important here might be the finding that favorability and consideration are not strongly increased through sponsorship awareness, but only 'slightly'. In all the analysis, it was shown that indeed there is some statistically measurable impact of sponsorship on favorability and consideration. However, it has also been shown that sponsorship awareness just explains a very small part of brand favorability and consideration.³⁸¹ It must be assumed that there are other factors that are far more important than sponsorship when a company is trying to build a stronger favorability or consideration. More research is needed to explain how sponsorship scores in comparison with other corporate communications activities in terms of its potential to build brand favorability and consideration.

4. Some sponsorship areas are better in building brand favorability and consideration than others.

This finding might be very relevant for future communication of different sponsorship areas. In the case of the wealth management company, a more positive effect was observed for sailing and contemporary art, while for orchestral music the effect turned out to be insignificant. Most surprising were the results for golf, which even seems to have a slightly negative effect on favorability and consideration (although not on a significant level). In the example of the wealth management company, it was shown that the different sponsorship areas are not identical in terms of their potential to build brand favorability and consideration. Again, this effect may depend on the instances of the individual sponsorship properties. The sailing sponsorship, for example, can be considered as one of the company's most successful and unique sponsorships ever, which might have had this very positive impact especially in Europe. Golf sponsorships on the contrary are much less unique and differentiating, and since nearly all financial services firms are involved in golf sponsorship, there might be very little potential for differentiation. Contemporary art seems to have some differentiating effect, which might be the consequence of the fact that not many financial services firms are as much involved in contemporary art as the observed wealth management company.

³⁸¹ As measured in the R^2 value of the regression models.

5. Cultural sponsorship and sports sponsorship work in different ways.

There seems to be a slight difference between sponsorships in the cultural area versus sponsorships in the sports area with regard to the transfer of generic image values. Although both sponsorship types transfer the image of being successful, stable and innovative, there are some differences, mainly with regard to which positive feelings are conveyed to the company. Cultural sponsorship has more effect on consumer's estimation of the sponsor on an emotional level. Consumers feel more positively towards a company if it is active in cultural sponsorship. Cultural sponsorship is rather seen as a way to give back to community and show corporate social responsibility, while sports sponsorship is rather perceived as a commercial marketing tool. Interestingly, this effect differs quite strongly across the geographical regions. While in the US, the difference in this perception of cultural vs. sports sponsorship is very pronounced, no such effect can be observed in APAC. Europe lies somewhere in the middle, with cultural sponsorship being perceived as slightly more positive than sports sponsorship.

6. Sponsorship leads to a positive event-specific image transfer among event visitors.

Among most event visitors, some kind of image transfer takes place when visitors are aware of the sponsorship. The majority of event visitors would agree that attributes such as confidence, professionalism and commitment apply more strongly to the company because of the sponsoring. However, the amount of image transfer differs for each attribute and for each event. For orchestral music sponsorships for example, attributes such as 'commitment' and 'pursuit of excellence' are most strongly transferred, while little impact is seen for 'expertise' and 'discipline'. For golf events, 'confidence' and 'will to succeed' are conveyed more strongly than other attributes. Contemporary art is very strong in transferring the image of 'professionalism' and 'quality', while sailing best transfers 'professionalism', 'will to succeed' and 'teamwork'. Within the sponsorship areas, a great consistence in the ranking of these metrics was observed.

10. The broader picture: the Sponsorship Scoring Model

After having conducted an in-depth empirical analysis about the impact of sponsorship on brand perception, it will now be shown how sponsorships can be assessed holistically on an event level or even at a platform level by applying a so-called Sponsorship Scoring Model. The model has been developed for the observed wealth management company since there was a need for sponsorship managers to come up with overall assessments for each property and platform as a basis for strategic decision making. The company is permanently faced with the problem that decisions about the future of sponsorships and the sponsorship strategy have to be made without really knowing which of the sponsorships are more efficient than others. This model therefore answers the question of how the effectiveness of sponsorships can be measured holistically by including a variety of different aspects. The Sponsorship Scoring Model was partly based on results of the empirical analysis as shown in the chapter above, but it has a broader scope and takes into consideration additional data that has become available from the company's sponsorship measurement system. The studies analyzed in chapter 9 represent only a part of the research that is available within the wealth management company's sponsorship measurement system. For example, a global media monitoring system has been put into place to track all media exposure related to sponsorship as well as various feedback from client advisors who have visited sponsorship hospitality events with their clients across all events globally. All these data sources provide interesting information to help the company to assess the overall effectiveness of the sponsorship.

Chapter 10 shows the specifications of the model as well as the output scores on a platform level and an event level. Chapter 10 is divided into four sections: In the first section, the scoring model will be specified in terms of data sources, operationalization of involved metrics as well as its functionality and inner logic. In the second section, the four different sponsorship platforms (golf, sailing, orchestral music and contemporary art) will be assessed using the scoring model. In the third section, the model will be applied to all the individual sponsorship properties. In the fourth section, the model will be critically assessed in terms of its strengths and weaknesses.

The structure of chapter 10 is shown in figure 47:

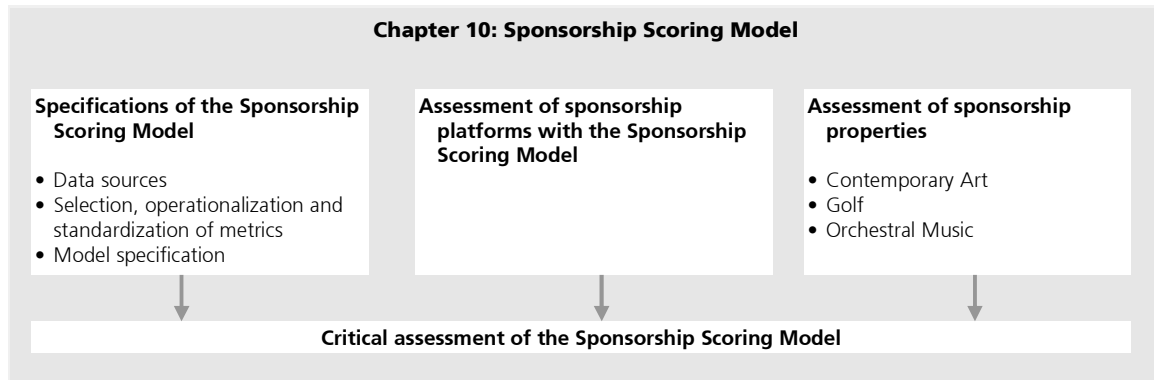


Figure 47: Structure of chapter 10

10.1. Specifications of the Sponsorship Scoring Model

This section will first given an overview of the data sources that are incorporated into the model. Then the metrics will be shown which actually were chosen to assess the different dimensions of sponsorship, and the issue of how these metrics can be standardized in order to be comparable to each other will be discussed. At the end of this section, the functionalities of the model will be described and the model will be presented graphically.

10.1.1 Data sources

As seen in section 6.1, the sponsorship measurement system includes several further research tools in addition to the ones that were used for the empirical analysis in chapter 9. Table 42 gives an overview of all data sources that are available within the company's measurement system and which might provide relevant data for elaboration of the Sponsorship Scoring Model:

Research tool	Description	Top 3 metrics included
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Brand Impact

Pre-post surveys*	Surveys that compare the evolution of brand perception over the period of a sponsorship marketing campaign	<ul style="list-style-type: none"> - Sponsorship awareness - Brand awareness / familiarity - Brand favorability / consideration
Brand Equity Monitor*	A global survey that tracks brand metrics and sponsorship awareness	<ul style="list-style-type: none"> - Sponsorship awareness - Brand awareness / familiarity - Brand favorability / consideration
Global sponsorship study*	A global survey that explores the interest in different sponsorship areas and the resulting image transfer	<ul style="list-style-type: none"> - Interest / involvement in spons. areas - Image of sponsorship areas - Transfer of image values with each sponsorship area
On-site surveys*	Studies on public visitors of events sponsored by the company	<ul style="list-style-type: none"> - Sponsorship awareness - Share of target audience - Image transfer
Print monitoring	The monitoring of print articles where the company is visible in connection with sponsorship	<ul style="list-style-type: none"> - Number of clippings - Circulation - Advertising equivalent value
TV monitoring	The monitoring of logo presence of the company in combination with sponsorships	<ul style="list-style-type: none"> - Length of visibility - Cumulated audience - Advertising equivalent value

Business Impact

Client advisor feedback	A survey for client advisors to assess the business impact of a hospitality event	<ul style="list-style-type: none"> - Satisfaction with event - Amount of net new money generated - Number of new clients converted
Event data tracking	A collection of key usage data about each hospitality event	<ul style="list-style-type: none"> - Number of client advisors attending - Number of clients / guests attending - Distribution across business groups

Employee

Employee sponsorship survey	A global survey among employees about sponsorship awareness and perception	<ul style="list-style-type: none"> - Awareness of sponsorships - Attitudes towards sponsorships - Interest in sponsorship areas
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* included in empirical analysis of chapter 9

Table 42: Overview of relevant data sources for the Sponsorship Scoring Model

This overview makes clear that a very large amount of data is available, probably far more than could ever be included in a single scoring model.³⁸² Since perhaps not all of this data is relevant for

³⁸² Each of these data sources includes a variety of additional metrics that are not listed in the table above.

an overall assessment, the data needs to be selectively reduced to a smaller subset of case-relevant metrics.

Another crucial aspect is the application of the different tools across the individual events and platforms. While some of the research tools cover all events worldwide (such as print monitoring, TV monitoring, client advisor feedback and event data tracking), some are specific to just one or a few selected sponsorships (such as on-site surveys and pre-post studies), and other are even very generic without referring to specific events (such as the global sponsorship study and the employee sponsorship study). Also, some of the studies include event-specific measures as well as general assessments (such as the Brand Equity Monitor).

Thus, data is available on different levels, covering different events and having different scope. The main problem of a Sponsorship Scoring Model is to break down these different data sets to individual sponsorship platforms and ensure comparability among the different platforms. This is done by taking a bottom-up approach: All metrics are measured at the lowest aggregation level (as specific to an individual event as possible). In a second step, data is aggregated to a platform level. The section below will show how the metrics are chosen, operationalized and standardized.

10.1.2 Selection, operationalization and standardization of included metrics

To specify the model appropriately, first three different questions need to be answered:

1. What metrics should be covered in the model?
2. How can the metrics be operationalized?
3. How can these metrics be standardized to make them comparable to each other?

This section is structured according to these three questions.

Selection of metrics

The variety of metrics that are available in the measurement system must be prioritized to determine which should be included in the scoring model. This prioritization is done by referring to the overall sponsorship objectives that were formerly specified in the wealth management firm's sponsorship strategy: brand, business, and employee.³⁸³ All metrics have to be related to one of these three areas in some way.

- From a 'brand' point of view, some first conclusions can already be drawn out of the empirical analysis in chapter 9. However, a few other aspects were not yet covered in the

³⁸³ cf. section 6.1

empirical analysis. For example, the amount of press or TV coverage generated for the brand, which can be considered as a very important metric to assess sponsorship effectiveness, was not included.³⁸⁴ Additionally, when looking at the branding effect of sponsorship, it always has to be taken into consideration how much was actually spent for the sponsorships. Brand output always has to be considered together with the budget that was allocated to sponsorship: the more budget which is devoted to sponsorship, the higher the brand output should be.

- From a 'business' point of view, no indications of the success of sponsorship can yet be seen from the empirical analysis in chapter 9. Building brand awareness or a more positive brand perception does not automatically mean that more business is generated. Therefore, brand and business results are strictly divided. While brand results refer to the amount of brand equity built through sponsorships, business results include actual business that was generated as a direct consequence of sponsorship hospitality events.
- Also for the area 'employee', no indications of the success of sponsorship can be seen from the empirical results in chapter 9. Objectives in the 'employee' area are related to building awareness and engagement among the company's staff with the aim of raising employee pride and morale. To cover this third area in the scoring model, data from the global employee sponsorship survey will be considered.

Although the brand, business and employee objectives are quite clearly outlined, there is still a variety of metrics available to cover these areas. Prioritization is made by referring to the actual sub-objectives as outlined in the wealth management company's sponsorship strategy. A mapping of the different objectives and their corresponding metrics is shown in table 43.

³⁸⁴ The measurement of press coverage is traditionally among the most important tools to assess the effectiveness of sponsorships. In many cases, ROI analysis is made just by taking into consideration the press coverage. For further details see section 3.3.

Sponsorship objective	Observed metrics	Data sources
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Brand

Build brand awareness	- Circulation of company-branded clippings - Advertising equivalent value of clippings	Print monitoring
Build brand awareness	- Cumulated audience of branded TV exposure - Advertising equivalent value of TV exposure	TV monitoring
Build positive brand perception	- Increase in brand favorability / consideration - Increase in positive feelings - Interest in sponsorship areas	Pre-post studies, global spons. survey
Build brand image among event visitors	- Sponsorship awareness among visitors - Share of target audience - Image transfer	On-site surveys

Business

Client development	- Net new money reported after hospitality events	Advisor feedback
Client acquisition	- New clients reported after hospitality events	Advisor feedback

Employee

Build awareness	- Sponsorship awareness among employees	Employee survey
Attraction / retention	- Interest in sponsorship areas	Employee survey

Table 43: Overview of metrics included in the Sponsorship Scoring Model

Operationalization of metrics

It is beyond the scope of this work to describe the operationalization of all the individual metrics. Each metric has its individual history, and a host of discussions and meetings have been conducted for each metric about how to best measure and operationalize it. This was done in part by research and sponsorship specialists within the wealth management company, but in part as well with the help of external researchers and consultants. To keep the operationalization short at this point, this section just shows the actual outcome of each operationalization discussion.

It turned out to be useful to re-group the metrics into dimensions that are slightly different than those shown in the table above. Actually, the same objectives might be measured with different tools and with a different target audience. This applies mainly to objectives related to the brand, such as building brand awareness or perception. To prevent confusion, the wealth management company groups its sponsorship activities into roughly three areas: media communication, on-site

presence and hospitality.³⁸⁵ Since this can be considered to be a more useful classification, the metrics will be re-grouped according to this logic.

The table below briefly gives an overview of how the metrics are operationalized without going into further details:

Metrics	Summary of operationalization
---------	-------------------------------

Media communication

Circulation of company-branded clippings	Defined as the cumulated circulation of all clippings with company logo or text exposure for all sponsorship events. Data is taken from the print monitoring system.
Advertising equivalent value of clippings	The advertising equivalent value is calculated by measuring the exposure of the brand in print clippings and applying a value that is based on 100% advertising rates. This gives an indication of how much would need to be spent in order to buy the same space with advertising.
Cumulated audience of branded TV exposure	This is a measure of the size of the TV audience that was reached with logo exposure on TV. Each time the company logo appears, it reaches a certain amount of viewers, which are summed up on an hourly basis.
Advertising equivalent value of TV exposure	Advertising value for TV is calculated similarly as for print. Each time the logo appears on the screen, a certain monetary value is applied based on 100% advertising rates. A weighting of the advertising value is made with clear/unclear and full/partial logo exposure.

On-site presence

Sponsorship awareness	Defined as the awareness among event visitors of the company as an event sponsor.
Image transfer	Image transfer is measured as the average net positive image effect that is achieved with 5 key image attributes. ³⁸⁶
Share of target audience	Measured as the percentage of event visitors who have more than USD 500'000 in liquid assets in their household. ³⁸⁷

Hospitality

New clients after events	Defined as the number of prospects that were converted to new clients within the period of one month after attending a hospitality event.
Net new money after events	Defined as the amount of net new money reported by client advisors from clients that attended a hospitality event within the period of one month after the event.

Table 44: Operationalization of metrics for media communication, on-site presence and hospitality

Additionally, a few metrics are available that do not fit into this classification. These metrics mainly refer to the reactions or attitudes of the general HNWI target audience to sponsorships, as well as

³⁸⁵ cf. section 6.1

³⁸⁶ This is done by calculating the net positive image effect for each image attribute and calculating the average. For further details and examples see section 9.3.2.

³⁸⁷ See details in section 8.1.1

the impact of sponsorships on employees. The operationalization of these additional metrics is shown in the table below. Metrics are divided into two broad areas, labeled as 'target group reactions' and 'employee leverage'.

Metrics	Summary of operationalization
<i>Target group reactions</i>	
Increase in brand favorability / consideration	This refers to the empirical results from the Brand Equity Monitor. It is measured as the beta of regression coefficients as calculated in section 9.2.
Increase in positive feelings	This refers to the results from the global sponsorship study. It is measured as the extent to which sports and cultural sponsorships convey positive feelings to the sponsor as analyzed in section 9.3.
Interest in sponsorship areas	This refers to additional results from the global sponsorship study not shown before. Interest in different areas is measured on a scale from 1-9 (1=low interest, 9=high interest).
<i>Employee leverage</i>	
Sponsorship awareness	Measured as the total awareness of sponsorship platforms among the company's employees (aided and unaided).
Interest in sponsorship areas	Measured as the percentage of employees who would consider themselves as very or somewhat interested in the respective sponsorship areas.

Table 45: Operationalization of metrics for target group reactions and employee leverage

The metrics in this table are only available on a platform level, since none of the metrics refers to one singular specific event. As will be shown later on, these metrics can not be considered when applying the Sponsorship Scoring Model to an individual event, but are only useful in assessing a sponsorship platform overall.³⁸⁸

Standardization of metrics

The problem with the metrics as outlined above is that they are all measured on different scales. For example, sponsorship awareness is measured on a scale from 0% to 100%, while the impact on brand favorability is measured as a regression coefficient that ranges from 0 to 1. Moreover, some of the metrics do not have a clear maximum. For example the amount of net new money gathered after an event or the advertising equivalent value generated can vary from 0 to an infinite maximum. To account for comparability across the different metrics, these different scales have to be standardized in some way.

³⁸⁸ Furthermore, some of the metrics are only available for sports vs. cultural sponsorships, such as the generic image effect as measured in the global sponsorship study.

The standardization is done using a 10-point index scale in which every metric is recoded into a new index variable that has a value from zero to 10. Zero represents the absolute zero-point, 10 refers to the maximum that was achieved by one of the sponsorship platforms. Thus, this ranking represents a relative measurement of one sponsorship platforms compared to the others: The platform that scores best on a metric will be given 10 points, and the other platform get a relative value that puts them into proportion to the best platforms on a scale from 10 and 0. Like this, the metrics are assigned scores that are comparable across the platforms, and the proportions of the original metrics are equal. A (hypothetical) example of the standardization of values is given in the table below:

Metric	Original Scale	Original values		Standardized values	
Advertising equivalent value of print exposure	Zero to infinity	Golf:	\$20m	Golf:	4
		Sailing	\$50m	Sailing	10
		Orch. music:	\$10m	Orch. music:	2
		Cont. art:	\$5m	Cont. art:	1
Interest of general target audience in sponsorship area	0-10 point scale (0=lowest, 10=highest)	Golf:	5pt	Golf:	6
		Sailing	4pt	Sailing	5
		Orch. music:	8pt	Orch. music:	10
		Cont. art:	7pt	Cont. art:	9
Net new money generated after hospitality events	Zero to infinity	Golf:	\$100m	Golf:	3
		Sailing	\$200m	Sailing	5
		Orch. music:	\$150m	Orch. music:	4
		Cont. art:	\$400m	Cont. art:	10
Sponsorship awareness of employees	0% - 100%	Golf:	30%	Golf:	4
		Sailing	70%	Sailing	10
		Orch. music:	20%	Orch. music:	3
		Cont. art:	10%	Cont. art:	1

Table 46: Examples for standardization of metrics on a 10-point index scale

By standardizing all metrics in this way, the output is a data matrix that consists of the four sponsorship platforms and all the included metrics with values from 0 to 10. This may sound quite straightforward, but attention must be paid to measures that are only available on an event-specific level. This especially applies to on-site surveys, which provide results that are specific to an individual event and may not be applied to the platform as a whole. This problem was solved the following way: All the onsite surveys within a sponsorship platform (e.g. three different golf events) are considered as being similarly important, and are averaged accordingly. For example, to come up with an on-site sponsorship awareness metric for contemporary art, the awareness levels from different on-site surveys conducted at contemporary art exhibitions are averaged.³⁸⁹

³⁸⁹ If there was for example an awareness of 70% at event A and 100% at event B, the overall on-site awareness for contemporary art would be 85% ($=170\%/2$). This is not dependent of the number of visitors at the event.

10.1.3 Model specification

All the metrics specified above are related to the output side of sponsorship. However, when trying to assess the overall efficiency of a sponsorship platform, input variables must be considered too. When looking at brand effects for example, it must be considered how much the company actually paid for the sponsorship fee, since it is assumed that with a higher fee, a higher amount of press coverage can be expected. It would not be fair to just compare the outcome of different platforms without taking into consideration how much the company actually paid for the sponsorship rights. A similar problem can be observed for hospitality, where the business output of hospitality events actually depends on how much money the company spends on them. It must be assumed that large hospitality events with a high number of attending prospects/clients have a higher impact on business results than just the small events where only a handful of clients can attend. Thus, hospitality size must be considered too when looking at the outcome of hospitality.

To come up with an overall assessment of a sponsorship platform, various issues must be considered. It might not be enough just to sum of all metrics and average them, because some metrics might be more important than others and some weighting will be needed. Or other metrics might be part of a larger concept and should be grouped into broader factors, which can then be weighted again. To give consideration to such effects, the model calculates the overall value in a series of different phases. Six distinct steps can be distinguished:

- Step 1: All measured metrics are collected and indexed on a scale from 0-10. A value of 10 is given to the platform that scores best, and all other platforms are assessed according to their performance relative to the top platform (see above).
- Step 2: Some of the measured metrics are re-grouped into broader areas. These newly created scores are labeled 'output scores', and they usually consist of a set of 3-5 individual metrics. A separate output score is calculated for hospitality, media exposure and on-site presence.
- Step 3: A weight factor is attributed to each output score to put the platforms into perspective in terms of size and investments:
 - a) The hospitality output score is weighted by the number of client advisors who attended (the lower the number of client advisors, the higher the weight factor).
 - b) Media exposure score is weighted by the sponsorship fee (the higher the fee, the lower the weight factor).

c) On-site output score is weighted by the number of event visitors (the more visitors, the higher the weight factor).

- Step 4: The output scores are multiplied by their corresponding weight factors. The result is a score that takes into account the outcome of the platform (as measured in the output score) as well as the input into the platform (reflected in the weight factor). Since the resulting score gives some indication about the effectiveness of each area, it is labeled 'efficiency score'.
- Step 5: Efficiency scores are re-grouped into the most important sponsorship objectives: brand, business and employee. Media efficiency, on-site efficiency and target group efficiency scores are all put into 'brand'. The hospitality efficiency score becomes the indication for 'business', and the employee efficiency score for 'employee'.
- In a last step, the brand, business and employee efficiency scores are again weighted, reflecting the strategic importance of each of the objectives for sponsorship. 'Brand' and 'business' are seen to be equally important, but about twice as important as 'employee'. Thus, 'brand' and 'business' each get a weight of 40% and 'employee' 20%. The overall platform score is calculated with the following formula: $(\text{business efficiency} * 0.4) + (\text{brand efficiency} * 0.4) + (\text{employee efficiency} * 0.2)$

The specification of the model is graphically shown in figure 48:

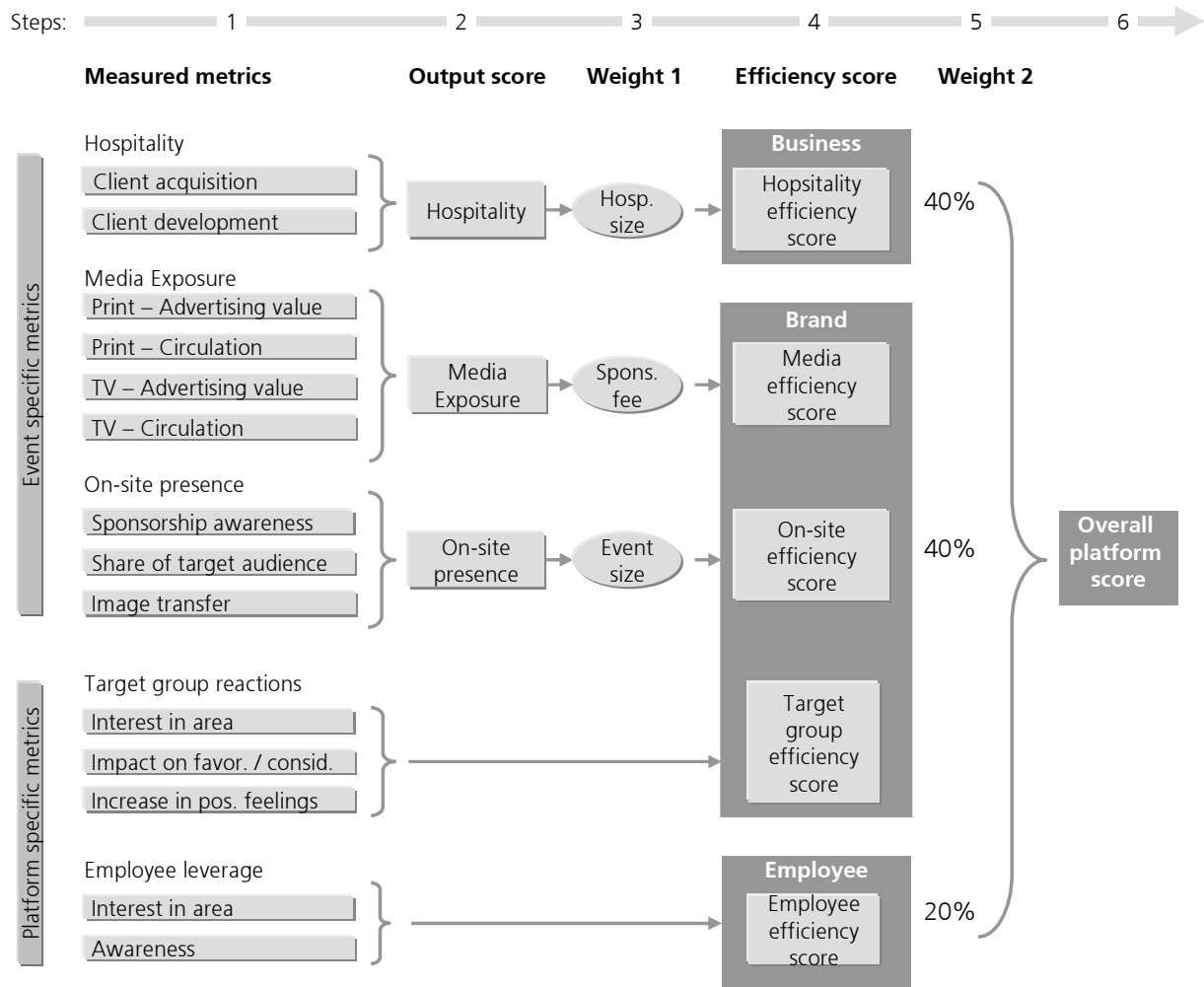


Figure 48: Sponsorship Scoring Model to assess sponsorship platforms

The output of this model is useful to compare across the four different sponsorship platforms (golf, sailing, contemporary art and orchestral music). However, it might also be interesting to compare which sponsorship property within the platforms scores best, e.g. if one golf tournament scores better compared to another golf tournament, or if one orchestral music property stands out. To do this, the model needs to be slightly adapted, since platform-specific results are not relevant any more. On this level, all metrics that do not refer to a specific event are excluded for the property score model. This mainly applies to the areas of 'target group reactions' and 'employee leverage'. The specification of the property-specific Sponsorship Scoring Model is graphically shown in figure 49:

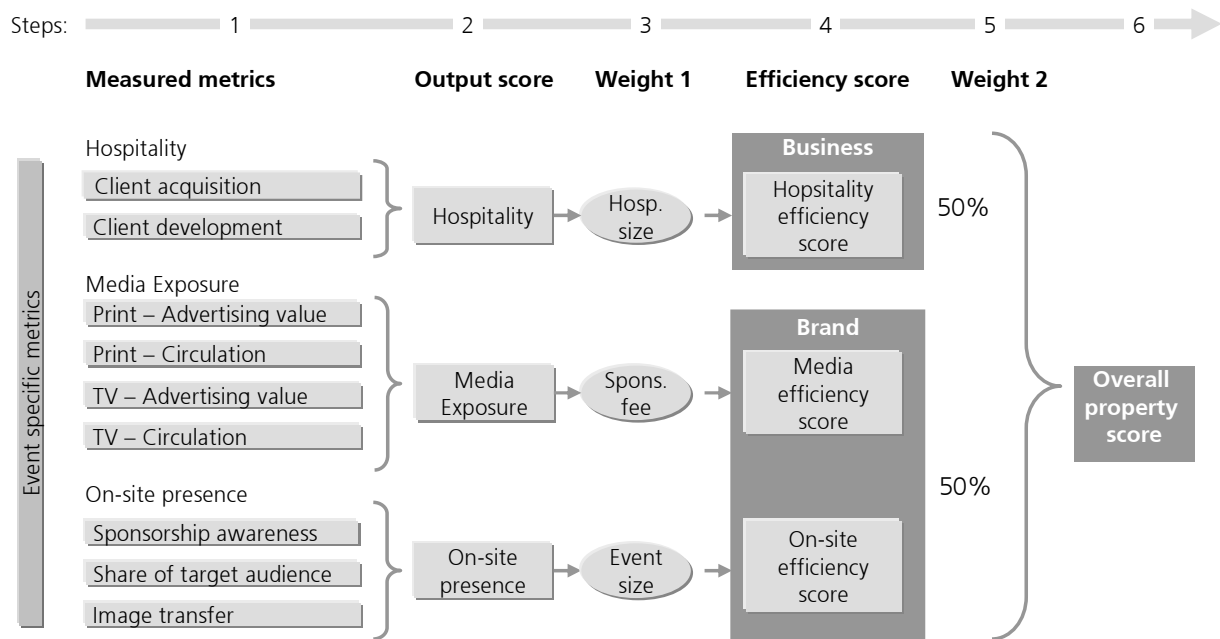


Figure 49: Sponsorship Scoring Model to assess individual sponsorship properties within a platform

10.2. Assessment of sponsorship platforms with the Sponsorship Scoring Model

This section will now show the actual outcome of the model. All four sponsorship platforms were assessed in the model: sailing, golf, orchestral music (=OM) and contemporary art (=Art). The results will be shown separately for hospitality, media exposure, on-site presence, target group reactions and employee leverage. At the end, the overall output scores are presented.

Hospitality	Sailing	Golf	OM	Art
Client Acquisition	7	4	4	10
Client Development	3	4	7	10
Output Score	5	4	6	10
Weight: hospitality size	1.2	2.3	1.0	1.0
Efficiency score	6	9	6	10

Table 47: Hospitality scores (platform comparison)

This table shows how the platforms score on the hospitality metrics. It can be observed that hospitality seems to be most effective in the case of contemporary art with an overall efficiency score of 10, followed by golf (efficiency score = 9) and sailing / orchestral music (efficiency scores = 6). It is interesting to see how the efficiency scores are built. Looking only at the output score, golf for example scores only 4. However, when taking into consideration the hospitality size (as represented in the weighting), golf scores higher than sailing and orchestral music. The reason is that with regard to the absolute number of business generation, golf was poorer than the other platforms because there were no really big hospitality events around golf. With contemporary art, on the other hand, more than twice as many clients/prospects were invited to event than with golf.

Overall, contemporary art events seem to be very effective in business generation. The business impact is at a very high level on an absolute level as well as on a relative level (when considering the event size). For orchestral music, on the other hand, a similar number of clients/prospects attended the hospitality event, but still they brought less net new money to the firm than did contemporary art.

Media Exposure	Sailing	Golf	OM	Art
Print - Circulation	2	10	7	2
Print - Advertising Value	10	4	5	3
TV - Cumulated audience	5	10	0	0
TV - Advertising value	1	10	0	0
Output Score	5	9	3	1
Weight: Sponsorship Fee	n.a.*	n.a.*	n.a.*	n.a.*
Efficiency score	9	10	5	5

* restricted data

Table 48: Media exposure scores (platform comparison)

The table above shows the efficiency of the different platforms in generating media exposure. Obviously sports sponsorships (golf, sailing) are far more effective in generating media exposure compared to cultural sponsorships (orchestral music, art). Golf (efficiency score = 10) appears to be slightly more effective than sailing (efficiency score = 9), and orchestral music and contemporary art are on about the same level (efficiency scores = 5).

The high ranking of golf can mainly be explained by the high TV presence scores. While golf achieved scores of 10 in terms of cumulated audience and advertising value, all other platforms were weak on these metrics. Especially with cultural sponsorships, no TV presence at all was generated, which is not surprising since there is far less TV coverage about cultural events as

compared to sports events. The high TV scores of golf mainly are the result of a tournament in APAC, where the company's logo was highly visible for quite a long time on various TV channels.

Another interesting point is print exposure: While actually more circulation is reached with golf, the actual advertising value for sailing is higher. This can be explained by comparing title sponsorship with team sponsorship: Most golf clippings were tracked for a title sponsorship, where the company appeared as a part of the event name in many small articles or event announcements, thus reaching a high number of readers but generating little value. With sailing however, presence was mainly generated with some background articles in high-profile newspapers that reported about the firm's sponsorship in quite some detail. Although reaching few readers, these articles generated a very high advertising value.

On-site presence	Sailing	Golf	OM	Art
Sponsorship awareness	n.a.	10	10	6
Share of target audience	n.a.	10	8	n.a.
Image transfer	n.a.	7	10	8
Output Score	n.a.	9	9	7
Weight: # of visitors	n.a.	0.3	0.1	1.4
Efficiency score	n.a.	3	1	10

Table 49: On-site presence scores (platform comparison)

On-site presence can only be measured of golf, orchestral music and contemporary art, and no on-site survey is available for sailing.³⁹⁰ There is a very high difference with regard to the efficiency scores: Contemporary art scores highest, and golf / orchestral music very low in comparison. How can this be explained?

First it should be noted that when looking at the output scores, a different picture is shown: Golf and orchestral music score higher (output score=9) than contemporary art (output score=7). Sponsorship awareness and image transfer is even lower with art compared to the other events. The real difference is the weight factor: When taking into consideration the number of visitors, the scores change dramatically. The main reason for this change is one particular contemporary art museum that is sponsored by the company. While golf events and classical concerts only have a limited capacity (typically restricted to a few hundred or thousand visitors), this art museum has more than 3 million visitors a year. Thus, far more people come into contact with the brand name at this particular art museum than at any other sponsorship events. This is the ultimate reason that

³⁹⁰ The onsite survey observed in section 9.3 was conducted in 2005, but the sponsorship scoring model just refers to the data from 2006.

contemporary art sponsorship actually is more efficient in terms of reaching out to on-site visitors than any other platform.

Target group reactions	Sailing	Golf	OM	Art
Interest in area	7	7	10	9
Impact on favor. / consid.	10	0	1	3
Increase in pos. feelings	8	8	10	10
Efficiency score	10	6	8	9

Table 50: Target group reaction scores (platform comparison)

The target group reaction seems to be best for sailing sponsorships, followed by contemporary art and orchestral music. A few comments can be made to explain this value: First, the firm's target audience is slightly more interested in cultural areas than in sport. Highest interest is found with orchestral music (this applies to all regions), followed by contemporary art. Second, the sponsorship of sailing has very high impact on favorability and consideration as shown in chapter 9, and there is no such effect at all for golf. Third, cultural sponsorships convey more positive feelings about the company than sports sponsorships. The overall outcome shows that the different platforms are quite near to each other with regard to target group reaction. Only with golf does the target group reaction score slightly less.

Employee Leverage	Sailing	Golf	OM	Art
Interest in area	8	8	10	10
Sponsorship awareness	10	5	8	9
Efficiency score	10	7	10	10

Table 51: Employee leverage scores (platform comparison)

With employees, two metrics are observed: First, considering if employees are at all aware of the different sponsorship platforms; and second, considering which platform best conforms to their interest. The results in the table above show that most platforms score the same except golf which is a bit lower. Again, employee interest is slightly higher in cultural areas than in sports areas. Awareness is highest for the sailing sponsorship (mainly in Europe and APAC) followed by contemporary art and orchestral music. Low sponsorship awareness in golf might be a consequence of the strategic orientation of golf in US and APAC, while nearly 50% of employees work in Europe.

Overall Scores	Sailing	Golf	OM	Art
Brand (40%)	10	7	5	8
Business (40%)	6	9	6	10
Employee (20%)	10	7	10	10
Overall Score	9	8	7	10
<i>Rank</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>1</i>

Table 52: Overall scores (platform comparison)

This table summarizes the overall efficiency values for brand, business and employee, and shows an overall ranking. Taking into consideration all the factors above, contemporary art slightly outperforms the other platforms. It is followed by sailing (overall score = 9) and golf (overall score = 8). Orchestral music has the lowest score, but it is still very similar to the other platforms (overall score = 7).

The discussion of these results mainly shows that each platform has its strengths and weaknesses, and none of them prevails in all metrics. Golf for example turns out to have a high impact on TV presence; contemporary art is very strong in reaching out to a high number of visitors; orchestral music is good in conveying positive feelings to the audience, and sailing sponsorship generates a lot of advertising equivalent value in print media. An overview about the efficiency scores on the different dimensions is shown in the chart below:

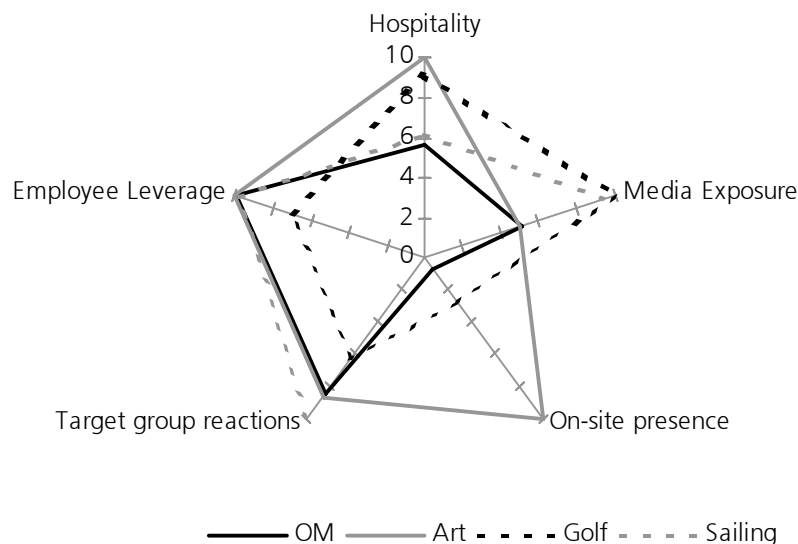


Figure 50: Overview of efficiency scores for the sponsorship platforms

10.3. Assessments of sponsorship properties with the Sponsorship Scoring Model

After having applied the sponsorship scoring model to the sponsorship platforms, the model will now be applied to individual events within a platform. This will show how the different golf tournaments or art sponsorships or orchestral music properties rate against each other. This can yield useful information about management of a sponsorship portfolio within a platform.³⁹¹

When comparing individual events, it has to be considered that two of the dimensions used for the platform comparisons will not be useful any more: target group reactions and employee leverage. Since these dimensions can be computed on a platform level only, they can not be used to compare across events within a platform. Thus, these dimensions are ignored and the Sponsorship Scoring Model is slightly adapted. The model is shown above in figure 49.

10.3.1 Contemporary art sponsorships

Measurement around contemporary art sponsorships was done for three events: a large art museum in Europe, an art fair Europe and an art fair in the US.

Hospitality	Art Museum Europe	Art fair Europe	Art fair US
Client Development	0	2	10
Client Acquisition	0	5	10
Output Score	0	3	10
Weight: hospitality size	12.1	1.1	1.0
Efficiency score	1	4	10

Table 53: Hospitality scores (contemporary art sponsorships)

For hospitality, it seems that the art fair in the US scores best in all dimensions: the most new clients were converted and the most net new money was gathered after the event. The best score of the US art fair is kept even when taking into consideration the hospitality size, which was larger than at all the other events. The European art fair scores moderately on client acquisition and development, and thus gets an average efficiency score. At the European art museum, hardly any business impact was measured. Even when taking into consideration that the overall hospitality size was very small compared to the other art events, the efficiency of the hospitality turns to be very low.

³⁹¹ Since the sailing platform mainly consist of one major property, it will not be included in the property-specific analysis.

Media Exposure	Art Museum Europe	Art fair Europe	Art fair US
Print - circulation	10	1	3
Print - Advertising Value	10	0	1
Output Score	10	0	2
Weight: Sponsorship Fee	1.0	2.7	2.6
Efficiency score	10	1	6

Table 54: Media exposure scores (contemporary art sponsorships)

With regard to media exposure, the European art museum turns out to be more effective than the other art events. It may be important to add that the sponsorship just started in 2006 and there was a lot of initial press coverage about the European art museum due to the start of the three-year sponsorship, while the wealth management company had already been involved for a longer time in the art fairs in Europe and US. The results might be different one year later. It may also be useful to know that the print exposure mainly consisted of large articles about the involvement of financial services in the contemporary art area and that some of the articles had quite a negative tone, which is not reflected in the efficiency score.

On-site presence	Art Museum Europe	Art fair Europe	Art fair US
Sponsorship awareness	7	10	9
Image transfer	n.a.	5	10
Output Score	7	7	10
Weight: # of visitors	1.5	0.3	0.2
Efficiency score	10	2	1

Table 55: On-site presence scores (contemporary art sponsorships)

In terms of on-site presence, the European art museum again turns out to be more efficient than the other art sponsorships. However, this is mainly a consequence of the number of visitors. Sponsorship awareness actually was lower at the art museum in Europe, but far more people visited the art museum than the art fairs. The reason for this is that the art museum is open during the whole year, while the art fairs typically only last for about 4-5 days. It might also be worthwhile to note that the share of target audience could not be measured at art sponsorships due to objections on the part of the event organizers to including this metric in the questionnaire.

Overall Scores	Art Museum Europe	Art fair Europe	Art fair US
Brand (Media / On-site)	10	2	4
Business (Hospitality)	1	4	10
Efficiency score	7	4	10

Table 56: Overall scores (contemporary art sponsorships)

Overall, the US art fair turns out to be more efficient than the other events. This is a direct consequence of the massive business that was generated after the events among prospects and clients who visited the company's hospitality events, while at the other events far less business was generated. The art museum in Europe gets quite a high efficiency score as well, mainly due to the large number of visitors at the venue and large amount of press clippings generated. In this model, the art fair in Europe gets a moderate ranking. The company might consider taking measures to increase the efficiency of this property.

An overview of the different dimension of the three contemporary art sponsorships is given in figure 51:

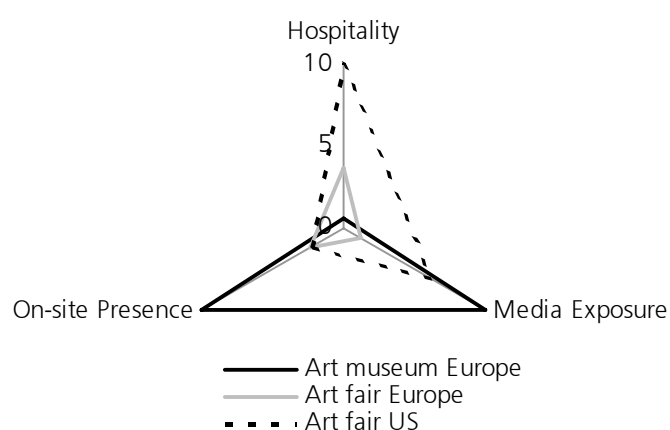


Figure 51: Overview of the efficiency scores for contemporary art sponsorships

10.3.2 Golf sponsorships

Measurement around golf included four sponsorships: one major golf event in the US, one smaller event in Europe and two key tournaments in APAC.

Hospitality	Event US	Event APAC 1	Event Europe	Event APAC 2
Client Development	10	0	0	6
Client Acquisition	10	1	1	2
Output Score	10	1	0	4
Weight: hospitality size	1.0	8.2	1.8	1.0
Efficiency score	10	5	1	4

Table 57: Hospitality scores (golf sponsorships)

The hospitality analysis shows that the US event generated much more significant business results in terms of client development and client acquisition than the other events. Only one of the APAC tournaments had any real impact on the business side. When taking into consideration the hospitality size, which was largest for the US event and for the second APAC event, the results are similar. The event in Europe, although it was smaller than the other events, was not very effective, while the US event turned out to have the most impact.

Media Exposure	Event US	Event APAC 1	Event Europe	Event APAC 2
Print - Circulation	0	4	0	10
Print - Advertising Value	1	10	1	5
TV - Cumulated audience	1	10	1	7
TV - Advertising value	10	2	0	9
Output Score	3	7	1	8
Weight: Sponsorship Fee	0.9	1.5	7.3	1.2
Efficiency score	3	10	4	9

Table 58: Media exposure scores (golf sponsorships)

An interesting picture is shown when looking at the media exposure scores. Obviously, the US event was very effective in generating advertising value on TV, although it did not reach out to a large audience.³⁹² Also, hardly any press coverage was generated through the US event. The APAC events, on the other hand, were both effective in generating print and TV exposure. This is mainly an effect of the role of the company as a sponsor: For both APAC tournaments, the wealth management company was the title sponsor and thus was mentioned in nearly all newspaper articles about the tournament. For the US tournament, on the other hand, the company was main sponsor but not part of the event name, thus print coverage was very low. At the European event, the company was just one of many co-sponsors, thus hardly any media value was generated.

³⁹² This can be explained with the TV channels that broadcasted the tournament. In this case, the company was visible for a very long time on The Golf Channel US. Due to the long hours of logo visibility, a lot of advertising value was generated. However, since The Golf Channel addresses a very specific audience, the audience reached was rather low.

On-site presence	Event US	Event APAC 1	Event Europe	Event APAC 2
Sponsorship awareness	9	6	8	10
Share of target audience	9	4	3	10
Image transfer	n.a.	3	10	6
Output Score	9	4	7	9
Weight: # of visitors	1.2	0.2	0.4	0.3
Efficiency score	10	1	5	4

Table 59: On-site presence scores (golf sponsorships)

On-site presence turned out to be very effective for the US event. With a high awareness of the company as an event sponsor and a high share of target audience, the event has a great influence in terms of reaching out to the company's target audience. Furthermore, the US event attracted far more visitors than any other golf event, which leads to a very good efficiency rating compared to other events. At one of the APAC tournaments, on the other hand, sponsorship awareness and the share of target audience was rather low, which combined with the modest number of visitors leads to an efficiency rating of 1.

Overall Scores	Event US	Event APAC 1	Event Europe	Event APAC 2
Brand (On-site / Media)	10	8	7	10
Business (Hospitality)	10	5	1	4
Overall Score	10	7	4	7

Table 60: Overall scores (golf sponsorships)

When taking into consideration all different areas, the US golf event shows the highest overall score, followed by the two APAC events. The event in Europe scores rather low on an overall level. The company should thus reconsider if the sponsorship of the European golf tournament makes sense from an output point of view.³⁹³

An overview of the different dimensions is shown in figure 52. This mainly shows that the US event was very effective in terms of generating business (hospitality dimension) and building the brand among event visitors (on-site presence), while the APAC events succeeded in generating high media coverage for the firm.

³⁹³ Actually, the company cancelled the sponsorship of the European golf tournament one year after this analysis.

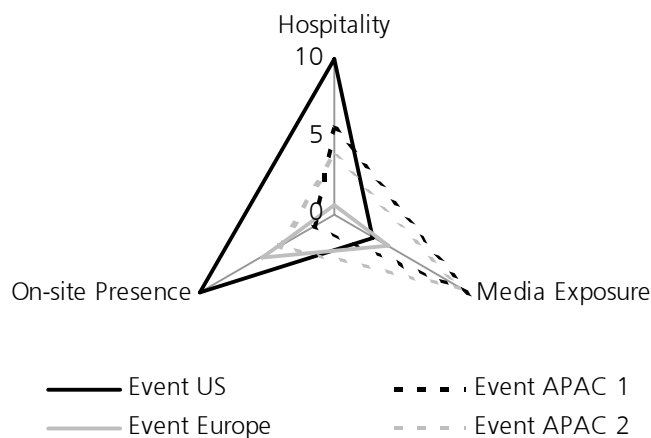


Figure 52: Overview of the efficiency scores golf sponsorships

10.3.3 Orchestral music sponsorships

The main orchestral music property is a company-owned orchestra that conducts a yearly tour in Europe and a second tour on a different continent (in 2006, the orchestra visited six cities in APAC). The orchestra also is the key player at a classical music festival in Europe. Additionally, a music festival and a classical orchestra is sponsored in the US.

Hospitality	Tour Europe	Tour APAC	Festival Europe	Festival US	Orchestra US
Client Development	10	8	9	1	3
Client Acquisition	10	2	4	4	6
Output Score	10	5	6	3	5
Weight: hospitality size	0.3	1.6	0.7	3.3	2.2
Efficiency score	3	8	5	9	10

Table 61: Hospitality scores (orchestral music sponsorships)

The hospitality scores show that mainly the activities outside of Europe have high efficiency scores, while the European tour and festival are at a rather low level. In absolute figures, the European tour scores far higher than any other property. However, when taking into consideration that the hospitality size there was far larger than at any other event, the relative efficiency score of the European tour is rather low. On the other hand, the festival in the US does not score high on an

absolute level, yet when one considers that only a few clients and prospects visited the event, the efficiency score is very good.

Media Exposure	Tour Europe	Tour APAC	Festival Europe	Festival US	Orchestra US
Print - circulation	1	10	2	-	0
Print - Advertising Value	3	10	9	-	0
Output Score	2	10	5	-	0
Weight: Sponsorship Fee	0.1	0.1	1.9	-	0.8
Efficiency score	0	1	10	0	0

Table 62: Media exposure scores (orchestral music sponsorships)

The media analysis for orchestral music sponsorships was restricted to print monitoring, because no TV exposure for the company was expected. Additionally, there was no print monitoring around the festival in the US, since a former analysis had shown that the exposure for the wealth management company in connection with this sponsorship is next to zero. From an overall efficiency score point of view, the European festival rates very high and all other properties rate very low. Actually, the greatest print exposure was measured at the APAC tour, but when considering the company allocated far more budget for the sponsorship fee at the Tour APAC as compared to the festival in Europe, relative results are at a low level.

Overall Scores	Tour Europe	Tour APAC	Festival Europe	Festival US	Orchestra US
Brand (Media exposure)	0	1	10	0	0
Business (Hospitality)	3	8	5	9	10
Overall Score	2	6	10	6	7

Table 63: Overall scores (orchestral music sponsorships)

Overall, the festival in Europe turns out to be the most efficient, followed by the US orchestra. The table above again shows that the different properties have strengths and weaknesses in different areas: While the festival in Europe gets a lot of press coverage, it does not perform very well on the business generation side; orchestral music events outside Europe are more effective in this respect, whereas media coverage is very low.

10.4. Critical assessment of the Sponsorship Scoring Model

After having shown how the Sponsorship Scoring Model can be applied to sponsorship platforms as well as individual sponsorship properties, the key strengths and weaknesses of the model will now be discussed.

10.4.1 Strengths

One of the main strengths of the model is first that it structures the research results in an innovative and unusual way. Without going into details of the model's logic, it provides a rough overview and presents the most important measurement results at a glance, which itself can be helpful to structure the decision making process. Besides this basic benefit (which might apply to every kind of model), the following key strengths can be found:

- *Holistic approach:* The model takes into consideration all three dimensions that were defined as being relevant for sponsorships: impact on brand, business and employees. Thus it provides a holistic approach to measure all relevant sponsorship output. Brand and business objectives are further reduced to a very detailed assessment level. The model measures the different dimensions from a bottom-up perspective and is able to cover the really important areas in a pragmatic form. It may be mentioned that there are only very few models that track the outcome of sponsorship in such a detailed and holistic way.³⁹⁴
- *Comparability across platforms and properties:* The problem with sponsorships is often that each event is very unique and comparability across sponsorships may be thereby hindered. This model allows an apple-to-apple comparison across different events and even among different event groups. This is done by carefully selecting the key outcome metrics across all areas before doing the measurement and conducting the measurement consistently across the events. Then, the output is standardized to a scale that allows comparisons between all included sponsorships and with which even different metrics can be compared to each other.
- *Applicability on different levels:* One advantage of the model is that it is applicable to different sponsorship areas, and also on a different aggregation level. As shown in the sections above, the model can be applied to compare between golf tournaments, art fairs, orchestral music concerts etc. On a more aggregated level, it can also be applied to make comparisons between platforms that include a range of individual events. In fact, the model could also be applied to compare between events from different platforms, e.g. an art fair vs.

³⁹⁴ Some other approaches were shown in section 3.3

a golf tournament, or between all other possible subgroups of the company's sponsorship portfolio.

- *Modular approach:* The model takes a modular approach and thus new aspects can easily be incorporated. Since the mathematical algorithms are not too complex, new dimensions can easily be added and included in the model without changing the overall model specification. Furthermore, the model is very flexible when it comes to weightings: Should one aspect be considered as less important than another aspect, weights can be easily changed. Overall, the model is very flexible and can be adapted to the individual needs of each specific sponsorship area.

10.4.2 Weaknesses

Despite the strengths as outlined above, the model suffers from some weaknesses:

- *Reduction to the 'hard' data:* This model reduces every sponsorship to a selected set of formerly pre-defined 'hard' metrics. This might make sense from a measurement point of view, but from a sponsorship management point of view this might be something of a questionable approach. The aim of sponsorships is often to build engagement in a broader sense, to provide unique experiences to the public that would otherwise not be possible, or to build commitment to a firm in a very emotional or subtle way. Such items are very difficult to measure, and many of these 'soft' aspects just cannot be accounted for with a set of hard figures. It might also be considered that innovativeness and creativity in sponsorship may not be fostered by reducing the measurement to a set of quantitative metrics. Furthermore, when sponsorship is linked to the area of corporate social responsibility activities, a quantitative model might be fairly inappropriate.
- *Little theoretical background:* The model is purely built on the data that is available from the observed company's wealth management research data. There has never been a theoretical discussion about which metrics should be included for what reasons, or how the model's functionality could be explained from a theoretical point of view. The model has to be seen as a pragmatic attempt to combine existing data in order to come up with some practical and useful information to support management decision making. By taking into consideration more of the current academic discussion about sponsorship measurement, the model could possibly be further refined.
- *Reduction to the company's objectives:* The model is mainly based on the objectives that the wealth management firm has set for sponsorships: Build the brand, build business and motivate employees. There might be other objectives that are not covered that are relevant to other companies. For example, image transfer has never been stated explicitly as an objective,

which is why image transfer is only covered in one out of about 20 metrics in the model. The Sponsorship Scoring Model might therefore provide a useful basis for sponsorship assessment at the observed company, but for other companies it might be inappropriate and would need to be adapted. However, as stated before, since the model takes a modular approach, it is quite flexible and can easily be adapted to other company's objectives.

11. Implications of the results

The previous chapters illustrated the observed wealth management company's measurement system, described its sponsorship portfolio, presented results of the empirical analysis of sponsorship-related data and showed the results of the Sponsorship Scoring Model that was applied to the company's various sponsorships. This chapter will now investigate what these results mean for sponsorship management and provide some implications. Two sorts of implications can be seen: First, what can be learnt for the future management of the sponsorship strategy; and second, what does this imply for sponsorship activation.

11.1. Strategic implications

This section investigates how the outcome of the previous chapters can affect sponsorship planning and sponsorship management from a strategic point of view, without going into the details of any specific property. Implications are presented on an aggregated sponsorship level and with regard to the differences between cultural and sports sponsorship. Four key conclusions are drawn in this respect, which will be discussed below:

- Sponsorship can – and should – be measured.
- Sponsorship can be a useful brand-building tool.
- There are differences between cultural and sports sponsorships.
- Sponsorships should be leveraged with integrated marketing campaigns.

1. Sponsorship effectiveness can – and should – be measured

This goes back to the fundamental discussion about measurability of sponsorship. Can – and should – the outcome of sponsorships be measured at all? What benefits does such a measurement system deliver? As discussed earlier,³⁹⁵ there are many tools and methodologies that might be applied to measure the effectiveness or efficiency of a sponsorship property. However, so far no single overall approach has prevailed, and no approach has been developed to measure sponsorship outcome quantitatively and holistically.³⁹⁶ Therefore, the question about measurability of sponsorship outcome is still very relevant.

³⁹⁵ cf. chapter 3

³⁹⁶ cf. section 3.3

From chapter 6-10, it can be concluded that there are methods of sponsorship measurement that yield useful results for sponsorship management. The example of the wealth management company shows that developing and conducting a comprehensive measurement system can actually provide very relevant information to support strategic and tactical decision making. When looking at the way the wealth management company manages its sponsorships, it is obvious that these measurements have changed the way decisions are made quite dramatically. Whereas several years ago, no measurement system was there at all and many decisions had to be taken mainly on the basis of assumptions and subjective 'gut feelings', at the present stage a lot of strategic and tactical decisions are made by looking at the measurement data. The potential areas of application of such sponsorship research are manifold: Such data can help to design and revise the overall strategy; it can offer support when it comes to discussions with sponsorship rights holders or to contract negotiations; it can be used to design and monitor activation measures; and last but not least, it can be a selling point to promote and legitimate sponsorship activities internally. As a consequence, planning and managing sponsorships can follow a far more structured process, and sponsorship managers are not forced to rely on their personal opinions or feelings.³⁹⁷

However, implementing a comprehensive measurement system may not be as easy as it seems, and various challenges must be faced. To avoid the main obstacles, the following points should be kept in mind:³⁹⁸

- *Allocate enough budget:* Even when a comprehensive measurement concept has been developed, sponsorship research will never be effective if insufficient budget is provided. Senior management needs to acknowledge that the quality and usefulness of these measurements is very much a consequence of how much budget was allocated to research. As a standard industry norm, about 1-3% of overall sponsorship expenditures should be allocated to research.³⁹⁹ However, when looking at actual industry data, it is obvious that most companies do not spend enough on measurement (if they spend anything at all).⁴⁰⁰
- *Enforce collaboration with the research department:* Building a sponsorship measurement systems means that the sponsorship department need to work closely together with the research department. It might be not effective to let the research department simply conduct the fieldwork and then hand over a data report. To ensure effective usage of the measurements, the research department needs to be involved in all stages of the sponsorship process. This begins with the outline of sponsorship objectives: If no objectives are defined, no meaningful measurements can be made. The knowledge of the research department

³⁹⁷ These were the main outcomes of a measurement review, consisting of in-depth interviews with all key users of the measurement results.

³⁹⁸ These mainly refer to the experience at the wealth management company in the years 2005-2007.

³⁹⁹ cf. chapter 2

⁴⁰⁰ cf. chapter 3

might therefore be crucial when it comes to operationalizing the sponsorship objectives. Collaboration should also be forced when it comes to communication of the results: Otherwise data might be misunderstood and wrong decisions might be taken. It is therefore crucial for the research department to be part of the overall sponsorship process when planning new activities and implementing activation changes based on research. Optimally, a long-term and trust-based relationship between sponsorship managers and researchers should be built.

- *Build a 'measurement culture'*: It has sometimes been observed that sponsorship managers are slightly skeptical when it comes to measuring their activities in a quantitative way. At the wealth management company, this case was especially applicable the first year after the sponsorship measurement system was introduced. Some sponsorship managers even had a negative attitude towards such a system since it might have challenged the way they had done things so far or the way they had formally made decisions. However, at the wealth management firm it was also observed that this skepticism lost ground after the first year and was even replaced by very positive feelings about the measurements. After only three years of sponsorship measurement, the sponsorship team changed its attitude, and it has now adopted a real 'measurement culture', where research results play a crucial role in all of the different stages of sponsorship management.

2. Sponsorship can be a useful brand-building tool

Across the different theoretical and empirical works that were presented in the previous chapters,⁴⁰¹ it was consistently observed that sponsorship can be useful for building the sponsor's brand. However, it was also observed that the effects very much depend on various aspects of the sponsorship: the property, the sponsor, communication, activation tactics etc. A positive effect on the brand for a particular sponsorship does not mean that a similar effect will automatically occur for all sponsorships.⁴⁰²

Although the circumstances may be different and hard to compare across individual sponsorships, there are some general recommendations with regard to the general brand-building potential of sponsorships:

- *Use sponsorship to build brand awareness*: In all the studies observed, one of the main findings is that consumers actually do pay attention to sponsorship. If a company is highly

⁴⁰¹ cf. chapter 5 and 9

⁴⁰² As shown for example in section 9.2, a positive impact on brand awareness was measured in three out of four studies; one of the sponsorships was activated totally differently, which led to a quite different effect. See more details in section 9.1 and 9.2.

visible at an event or if it communicates its sponsorship in a good way, consumers will note it and remember the company mostly in a positive sense. Sponsorship awareness was included in nearly all the studies of the wealth management company, and the awareness level turned out to be quite high in some cases. Especially when doing on-site surveys, sponsorship awareness typically ranged from 60-100%. Among the general target audience, quite high figures were achieved with particular sponsorships in some regions (e.g. the sailing sponsorship in Europe, golf in the US). Furthermore, title sponsorships created hundreds of clippings that reached out to millions of readers. As a consequence, it can be concluded that sponsorship may be used to introduce the company name to the target audience and create positive awareness of the brand. This effect might be most effective in markets where the sponsor had just entered and where brand awareness is still low.

- *It is difficult to build brand familiarity with sponsorship:* In contrast to brand awareness, sponsorship turned out to have little impact on brand familiarity. Brand familiarity typically includes aspects such as knowledge about the company's products and services or its reputation, and it is very difficult to transmit this kind of information with sponsorships. Often, there is little overlap between the sponsored property and the sponsor, and transfer of associations takes place on a rather generic level. While with consumer good brands, a functional overlap between the products and the sponsored area might be possible in some cases (e.g. Adidas sponsoring a tennis player), in wealth management there is hardly any sponsoring area that is functionally related with wealth management products or services. The link between sponsor and sponsored area has to be artificially created by sharing common values on a fairly generic level (e.g. 'pursuit of excellence' with orchestral music, or 'teamwork' with sailing), without referring to the specific products and services that the wealth management company offers. The wealth management company tried to establish such a link in some cases, but it never achieved the goal of really increasing the consumer's familiarity with the brand. It is therefore suggested to avoid setting brand familiarity as a key sponsorship objective.
- *Use sponsorship to build brand engagement and favorability:* The empirical research of chapter 9 as well as the review of empirical studies in chapter 5 have shown that there is an emotional effect with sponsorships. In most cases, consumers have a positive attitude towards sponsorship and sponsors, and they feel positively about a firm that is sponsoring an event they are interested in. This might be the ultimate difference between sponsorship and advertising: While advertising is perceived as neutral (or sometimes even as slightly negative), the perception of sponsorship is mostly positive, and goodwill is transferred to the sponsor.⁴⁰³

⁴⁰³ For a detailed discussion of goodwill transfer see section 4.2.1.

The consequence of this is a higher brand favorability and consideration, which increases the company's brand equity. Sponsorship has thus the potential not only to increase brand awareness, but also to build a positive brand perception and create brand preference.

- *Use sponsorship to create image transfer:* Again, the empirical investigation in chapter 9 and the review of empirical studies in chapter 5 have shown that image transfer is crucial in sponsorship. Image transfer is actually often the reason why companies engage in sponsorship at all.⁴⁰⁴ In this thesis, it was shown that image transfer in sponsorship does take place and thus sponsorship can be used as a way to shape a brand in consumer's minds. It was also shown that image transfer is different for each area: While for example in golf sponsorships, 'confidence' and 'will to succeed' are strongly transferred, image transfer in orchestral music sponsorship is rather focused on attributes such as 'commitment' and 'pursuit of excellence'. For each sponsorship area, it needs to be measured which attributes are actually transferred most, and communication activities should be focused on those attributes in order to reach the maximum image transfer impact.

3. Cultural and sports sponsorships work differently in some respects

When talking about the emotional impact of sponsorship and the image transfer potential, some differentiation must be made. Generally, cultural sponsorship is perceived more positively than sports sponsorship. The reason is that cultural sponsorship is associated rather with corporate social responsibility and the idea of giving back to society, while sports sponsorship is perceived rather as traditional advertising, with a correspondingly less positive impact on consumer's feelings. This might be a consequence of the history of sponsorship: While sports sponsorship is the oldest form of sponsorship and was already applied to the Olympic games in 1952,⁴⁰⁵ cultural sponsorship is a fairly new phenomena and was only introduced in the beginning of the 1990s.⁴⁰⁶

However, when talking about the differing perception of sports and cultural sponsorships, attention also needs to be paid to the geographical region:

- In the US, the difference is particularly strong. All values transferred with sponsorship are rated on a considerably lower level for sports than for cultural sponsorships.
- In Europe, sports and cultural sponsorships are perceived similarly. However, there is a greater effect of cultural sponsorship on positive feelings about a company and on brand consideration.

⁴⁰⁴ cf. section 2.4.2

⁴⁰⁵ cf. section 2.1.1

⁴⁰⁶ Bruhn (2003) differentiates different stages of sponsorships and separates the beginning of cultural and sports sponsorships. For more details see section 2.1.1.

- In APAC, no such difference was measured, and both types of sponsorships are perceived in the same way.

Another point that needs to be taken into consideration in this context is the type of target audience: In the empirical analysis, only high-net worth individuals (HNWI) were included, which may differ quite strongly from retail target audience in terms of personal interests and preferences. Research has shown that HNWI's are generally more interested in cultural areas than in sports areas, and interest in orchestral music is particularly high in all regions.⁴⁰⁷ The better performance of cultural sponsorship might therefore just be an effect of high cultural interest among HNWI's. If research was conducted among retail target audience, it is possible that the difference between sports and cultural sponsorships might disappear.

4. Sponsorships should be leveraged with integrated marketing campaigns

As seen in chapter 2, the phase of isolated sports and cultural sponsorship is over, and we are now in the stage of integrated sponsorship.⁴⁰⁸ The full potential of a sponsorship engagement is no longer reached by just putting a logo on a concert hall or doing perimeter advertising in a stadium. Companies are now required to build integrated marketing campaigns around partnerships that include all kinds of marketing activities. Although this was not a direct outcome of the empirical research, it should be noted that companies are missing opportunities if they do not communicate their sponsorships thoroughly. Further research of the wealth management company has shown that consumers are interested in learning more about the reasons why a company is engaged in sponsorship: They would like to be told what the benefits from sponsorship are for the broader society, and what the similarities between the sponsor and the sponsored areas are.⁴⁰⁹ Since consumers have a basically positive attitude towards sponsorship, they are very receptive to further information about the background and the rationales behind it. To communicate this information efficiently, all different touch points should be activated.

To implement integrated marketing campaigns, the following suggestions can be made:

- *Cooperate with all functions of the marketing department:* To build integrated marketing campaigns, different marketing functions must be involved. This may range from advertising to PR to direct marketing and may also include functions such as employee communications or media relations. A good example of integrated marketing campaigns is when merchandise goods and client gifts are branded with the sponsorship. Sponsorship can also be a reason for

⁴⁰⁷ This was one of the main findings of the global sponsorship study.

⁴⁰⁸ cf. Bruhn (2003), p. 10

⁴⁰⁹ This was one of the main finding of the global qualitative study that the wealth management conducted among its target audience on the subject of sponsorship.

direct sales activities, such as hospitality events or product promotions. All these functions must work together to build an efficient campaign that reaches consumers through different channels to generate a high impact.

- *Activate all senses of the consumer:* It is crucial to create unique experiences that touch all of a consumer's various senses in order to be remembered as a sponsor.⁴¹⁰ The more a sponsor succeeds in activating different touch points in a unique way, the more likely it is to leave a lasting experience in consumer's heads. Also the amount of image transfer depends on the extent to which the sponsor provides a vivid brand experience.⁴¹¹
- *Be creative:* This point is of crucial importance with regard to sponsorships: since sponsorship is becoming an increasingly popular marketing tool and corporate sponsorship spending is rising every year,⁴¹² In this environment, it becomes increasingly important to differentiate between competitors and thus the need to be as creative as possible. The 'uniqueness' factor of a sponsorship and the way how it is communicated and activated plays a crucial role in affecting consumer perceptions. Creativity and differentiation should always be a basic principle behind sponsorships to deploy the maximum overall brand-building potential of this marketing tool.

11.2. Implications on sponsorship activation

After having looked at some high-level implications on a rather strategic level, the results of the wealth management company's measurement system also give some indication about how individual sponsorships can be best used to achieve the maximum impact on brand perception from an activation point of view. Some of these conclusions can be drawn from the empirical analysis in chapter 9 and the Sponsorship Scoring Model in chapter 10. However, at this point it has to be added that the research conducted by the wealth management firm yielded far more information than the metrics that are described in this thesis.⁴¹³ Therefore, the following points might sometimes refer to research data that has not been shown so far in detail.

⁴¹⁰ Good examples can be found in Cotting (2000) and Coppetti (2004).

⁴¹¹ The concept of 'vivid brand experience' and image transfer is analyzed in detail in Coppetti (2004)

⁴¹² The estimated investments sponsorship fees increased from USD 5 billion in 1990 to USD 49 billion in 2006, cf. section 2.3.1.

⁴¹³ The results displayed in chapter 9 and 10 actually only refer to a small part of the measurement results. Each research tool (e.g. on-site surveys, media monitoring, pre-post surveys) included a series of other standard metrics as well as many questions with regard to each specific event. Tactical implications are most useful when looking at all results of the different research tools overall. This goes, however, beyond the scope of this thesis.

Implications on sponsorship activation are grouped here according to the basic classification of the wealth management firm's main areas of sponsorship activation:⁴¹⁴ media communication, on-site presence and hospitality.

11.2.1 Implications for media communication

One of the main findings is that media communication is useful to increase awareness of the sponsorship in a wider audience. For the sailing sponsorship for example, a large communications campaign was done in Europe, which led to quite a high awareness level. Also in the case of the US golf tournament, the advertising campaign led to a high sponsorship awareness in the firm's target audience in a relatively short period of time.

However, the question is whether it is effective to extend the communication to the entire target audience, or if efficiency would be higher when only a smaller subgroup was targeted. Further analysis of the data has shown that sponsorships mostly have a positive impact among people who are actually interested in the sponsored area, while there is little effect on people who are not involved. This was mainly measured in the case of the US golf sponsorship: While brand awareness, favorability and consideration of the company increased from pre- to post-event among golfers, there was no such effect on non-golfers. Most of the pre-post changes in brand perception go back to the reactions of golf enthusiasts, who remembered the advertising campaign to a far greater extent and who showed an increased brand favorability due to the sponsorship, while no effect was measured among non-golf enthusiasts. Since this phenomenon was also observed for other golf sponsorships, the wealth management company decided only to target the golfers and focus their advertising on the special target audience of golf enthusiasts. It should be noted, however, that golf may be somewhat special in this respect compared to other sponsorship areas, since no such effect was measured for sailing and orchestral music. For the sailing sponsorship, it must be said that the main sailing regatta (America's Cup) actually reached out to a far larger audience than just sailors, and there was a broad interest displayed by all kinds of media and consumers in the event (although media coverage was mainly restricted to Europe). Therefore, sponsorship recall and positive impact was also measured among non-sailors. Concerning orchestral music sponsorship, there was no difference between people interested in classical music vs. people who are not. This may be a consequence of orchestral music being an area of very high interest among the HNWI target audience anyway, or it could also be an effect of the strong association of orchestral music with corporate social responsibility, which appears to be perceived very positively. Thus, there are

⁴¹⁴ cf. section 6.1

areas where it might be less efficient to only target people who are really interested in the object of the sponsorship.

Another observation was made with title sponsorships vs. non-title sponsorships. Title sponsorships have the advantage that the sponsor is part of the event name, thus people are more likely to remember the sponsor's name.⁴¹⁵ Furthermore, the media monitoring system showed that title sponsorship can create quite a large amount of press coverage for the sponsor. This was mainly observed for golf tournaments, where non-title sponsorships created hardly any press coverage, while title sponsorships were useful to expose the name of the sponsor to millions of readers. Although title sponsorships may be less common in the cultural area, in the sports area title sponsorships provide a very effective platform in creating brand awareness and getting the brand name out to a wide audience.

11.2.2 Implications for on-site presence

One of the main findings was that the on-site target audience reacts very positively towards sponsorship. Usually, more than half of event visitors would say that they feel more positively about a company that sponsors the event.⁴¹⁶ Another important insight is that on-site visitors actually pay attention to who the sponsor of the event is: Sponsorship awareness for the events included in the company's measurement system typically ranged between 50% and 100%, with values at 80%-100% for nearly all title sponsorships. It was often observed that many visitors were exposed to the wealth management company only at the event: The number of people who had not heard about the brand before the event was sometimes higher than the number of visitors who did not remember the brand as an event sponsor. Thus, sponsorship can also be used to create brand awareness among those visitors who had not known the brand before. This has two important implications:

- First, on-site visitors seem to be a very good target audience for further brand-building activities. Only putting a logo on a wall does not exploit the full impact that sponsorship can have on event visitors. Since the event is often the place where visitors learn about the brand for the first time, there is the opportunity to give further details about the brand's products and services. The wealth management company for example started to put up special areas, such as information tents or family zones, where they used the potential of its role as a sponsor to provide more information about the brand to visitors. Another way to increase

⁴¹⁵ Such an effect was actually measured when comparing sponsorship awareness among on-site visitors to title sponsorships vs. those at non-title sponsorships.

⁴¹⁶ This was measured in almost all on-site surveys conducted by the wealth management company. The corresponding share ranged between 40% and 80%. Hardly any negative reactions were observed at any of the measured events.

brand familiarity was to create on-site advertising that featured key facts about the event and compared them with key facts about the company. The possibilities to activate the sponsorships in a creative way among on-site visitors are endless. The positive point here is that on-site visitors have normally a very positive image of the sponsor, and thus on-site marketing activities usually fall on fruitful ground.

- Second, there is more to branding potential than just creating brand awareness and familiarity: There is the potential to really shape and modify the image of the company by using the effects of image transfer. Across all on-site surveys that were conducted at the wealth management firm's measurement system, quite a high level of image transfer was measured. Overall, more than half of visitors typically stated that at least one out of five attributes applied more strongly due to the sponsorship.⁴¹⁷ Results of the on-site surveys have also shown that the attributes transferred are different at each sponsorship event. To use the full brand-building potential of sponsorships among on-site visitors, companies have to look for the best way to exploit the image transfer potential of each of their sponsorships.

11.2.3 Implications for hospitality

It is hard to draw specific conclusions for hospitality from the above analysis since only very few metrics are available in the Sponsorship Scoring Model, and hospitality actually includes far more aspects than just generating net new money and new clients.⁴¹⁸ Furthermore, it has to be considered that hospitality events often cannot be compared to each other, because the setting, size and client composition differ considerably across the events. However, when having a closer look at the hospitality results, some general implications for the success of hospitality events can be drawn:

- Overall, it seems like contemporary art events are more effective in generating business than other events, and orchestral music events have the least business impact. To explain this finding, some further details about the individual events might be necessary. For contemporary art, it was observed that mainly the art fairs in the US were very effective. A reason for this might be the length of the event: Many international clients were actually flown to the US to attend the art fair, and hospitality packages usually included 2-3 days or even more. In this time period, client advisors had a lot of possibilities to interact with their clients, and clients had the opportunity to meet other representatives of the wealth

⁴¹⁷ cf. section 9.3

⁴¹⁸ An important objective of hospitality events is client retention. Often, the aim of hospitality events is not to generate new business, but to retain existing business. Although the retaining potential of hospitality events was actually included in the hospitality measurement, it was not included in the Sponsorship Scoring Model.

management firm.⁴¹⁹ Simply having enough time to chat with the client advisor in a relaxing atmosphere seems to have stimulated clients to bring more assets to the firm after the event. A similar observation can be made for large golf events, where clients also usually stayed for 2-3 days. For orchestral music concerts on the other side, hospitality typically consists of just one evening, with far less opportunities for client advisors to interact with their clients or prospects.⁴²⁰ A first implication could thus be that the length of the event or the number of possibilities for client advisors to interact with their client in an informal atmosphere have a positive impact on client acquisition and development with hospitality events. For sponsors it is therefore important to make sure that enough room for interaction is provided when planning hospitality events.

- A further reason why contemporary art events were so successful might be the composition of clients and prospects who attended. On average, far more HNWI's and Key Clients⁴²¹ attended art events than any other events. Thus, art events seem to be very attractive for high-level clients. A reason for that could be that there are only very few large art fairs worldwide, and contemporary art is more and more popular as an investment vehicle for large investments. Indeed, a relationship between client's asset levels and the business impact of an event was measured across hospitality events on all sponsorship platforms: The higher the share of HNWI or Key Clients, the higher the amount of new assets generated after a hospitality event. The implication of this is to focus mainly on high-level clients when setting up hospitality events.

⁴¹⁹ At larger events, members of senior management were usually present.

⁴²⁰ An orchestral music hospitality typically consists of an aperitif before the concert and farewell drinks after. However, most of the time is spent listening to the concert, which does not provide any interaction opportunity.

⁴²¹ 'Key Clients' are defined as clients or prospects who have more than USD 30 million in liquid assets.

12. Summary and outlook

This dissertation has looked into the various facets of the impact of sponsorship on consumer brand perception. In the first part, the thesis presented the current theoretical thinking about the area of sponsorship effects and provided a state-of-the-art overview about current academic approaches. In the second part, the thesis examined how a particular global wealth management provider measured the branding effects of its sponsorships and provided an empirical analysis of its measurement data. To assess the effectiveness of the different sponsorships managed by the wealth management company, a comprehensive Sponsorship Scoring Model was built, and applied implications of the results were deduced.

Chapter 12 will give a short summary of the main findings of this thesis and will give an outlook on what this means for further academic and applied research in the area of sponsorship.

12.1. Summary

The following four questions were observed in this thesis:⁴²²

- How can sponsorship effects on brand perception be measured?
- How can the effects of sponsorship on consumer brand perception be explained?
- What empirical evidence is there about sponsorship effects on brand perception from former empirical work?
- What can be learnt from the observed wealth management firm's empirical research?

The measurement of sponsorship effects was explored in chapter 3; chapter 4 looked at the theoretical explanations of sponsorships; a review of current empirical knowledge was provided in chapter 5; and the measurement approach and results of the wealth management firm (question 4) was displayed as a case study in chapters 6-11. Although a summary was already provided at the end of each chapter, at this point a further high-level summary will be given, structured by the four main questions.

⁴²² cf. section 1.2

Measurement of sponsorship effects

Measuring the effects and the effectiveness of sponsorships was identified as an important area by scientists and researchers. However, industry surveys show that most of the companies involved in sponsorship do not accurately measure the return on their sponsorship investments. The main problem is that sponsorship effects are manifold, and there is no standard methodology that could be applied to measure the effectiveness of sponsorships. Thus, sponsors would need to set up their own measurement system, which is often not done because of lack of knowledge or lack of resources. There are a few problems when trying to measure sponsorship effects: Clear and measurable objectives must be set; carry-over and decay effects across sponsorships must be considered; and it must be taken into consideration that sponsorship is a very heterogeneous field, which makes comparisons across events difficult. There are a few approaches to measure sponsorship effectiveness, which all have their advantages and drawbacks. Most widely used are exposure-based methods (e.g. media tracking), quantitative survey methods (e.g. telephone surveys) and qualitative methods (e.g. group discussions). To assess the sponsorships holistically, a few comprehensive approaches were developed by scholars, yet none of them proved to be applicable in practical respects. From a commercial side, there are a few approaches from research and consulting agencies which might give some guidelines for sponsorship evaluation (e.g. IEG Valuation Service).

Explanations for sponsorship effects

There is an increasing interest on the part of scholars to try to explain what goes on in consumer's hearts and minds when they are exposed to sponsorship. Although a range of different approaches have been developed, still very little is known about how sponsorship actually works in terms of its impact on and relationship with the consumer. From a mental information processing point of view, a range of approaches from cognitive psychology have been applied to sponsorship, as for example schema theory, associative networks, the S-O-R model or the Elaboration Likelihood Model. Although these approaches might be helpful to acquire a basic understanding of potential mental effects, none of them has succeeded to explain sponsorship effects holistically. To get a more detailed picture, some additional factors must be included. There are a few determinants for sponsorship effects that differentiate sponsorship from other marketing activities. The most important of these are the goodwill in sponsorship, the image transfer potential and the concept of fan involvement. To get an overall picture, a few scholars have tried to build models that take into consideration a range of different aspects, such as external and internal influences or brand and event characteristics. Such models were developed for example by Gwinner (1997), Smith (2004), Meenaghan (2004) and Cornwell / Weeks / Roy (2005), and more models are to come. However,

although these models might give a broad frame of reference, none of them has ever been operationalized and empirically measured.

Empirical studies on sponsorship effects

Many empirical studies are available on the effects of sponsorship. In the main academic journals and publications, approximately 100 studies have been published, of which about 35 directly relate to the research question in this thesis. All these studies have been reviewed in terms of what can be learnt from a brand perception and image perspective. Empirical findings can be classified to different areas. The first area considers the determinants of sponsorship awareness: It was observed that personal interest and involvement lead to a higher sponsorship awareness; furthermore, prominent brands are more often recalled than non-prominent brands. The second area is the general value transfer: There seems to be a general transfer of positive feelings and sympathy to a company when it is active as a sponsor; sponsorship is often associated with the image of social responsibility as well as stability and success. The third area is the transfer of event-specific images. Although image transfer is one of the major field for theoretical approaches, hardly any empirical research is available that tracks the transfer of specific event images to a sponsoring company. The few studies that are available state that there is an image transfer in terms of convergence of the sponsor's image with the event image. However, all these studies were designed as laboratory experiments using a convenience sample of undergraduate students. The fourth area is the impact on different brand-related metrics, such as brand consideration, favorability or purchase intention. There are only a few studies available in this area, and results are generally positive. However, no connection of sponsorship awareness and purchase intention / product purchase has been measured.

Learnings from the wealth management case study

Part B of the dissertation featured a detailed description of how a global wealth management company measures and assesses its sponsorships. A focus was placed on presenting the content and scope of the measurement system as well as selected results that this system provided. Based on parts of the measurement data, an empirical re-analysis of the data was conducted, and a comprehensive Sponsorship Scoring Model was established that helped to find out where the strength and weaknesses of each sponsorship property or platform are. Based on this analysis, implications and recommendations were outlined. The case study approach can be summarized as follows:

- In a first step, the conceptual background of the measurement system was presented. This can be seen as a necessary preparation for the subsequent empirical analysis. The firm applies a very broad measurement approach that includes a range of different measurement tools, such as on-site surveys, surveys among the general target audience, media monitoring, client advisor feedback and other tools. These tools are applied as broadly as possible across all the different sponsorship areas. The sponsorship portfolio consists of a range of top-events worldwide in the area of golf, sailing, orchestral music and contemporary art.
- In a second step, the research questions and hypotheses were clearly outlined and the methodology explaining how the hypotheses can be measured was presented. Six different hypotheses were formulated that all refer to the areas of sponsorship impact on the brand, such as brand awareness, familiarity, consideration, favorability and brand image (some of the hypotheses are divided into further sub-hypotheses). The methodological part also included a specification of the data sets that were used, the way in which data was collected, how all involved metrics were operationalized and what statistical procedures were applied to test the hypotheses.
- In a third step, the actual empirical analysis was conducted. Using a variety of statistical approaches, the hypotheses were put to the empirical test. Results were divided into three broad areas: The impact of sponsorship on brand awareness and familiarity, the impact of sponsorship on consideration and favorability, and its impact on image transfer. Empirical results were mainly based on different data sources, such as pre-post studies, the Brand Equity Monitor, the global sponsorship study and on-site surveys. Where ever possible, different data sources were used to test the robustness of the hypotheses. Overall, out of nine observed hypotheses (including sub-hypotheses), three were approved, two were just partly approved and four had to be rejected.
- In a fourth step, it was presented how the empirical results can feed into a broader system of sponsorship assessment and evaluation. For this reason, a Sponsorship Scoring Model was established that takes into consideration various target metrics of the impact of sponsorship on brand, business and employee. The model was applied on a platform and event level and turned out to be useful as a basis for event comparisons. The output of the model was an overall score that ranges from 0-10 and allows comparisons across different metrics and different sponsorships. After having shown all results, the strengths and weaknesses of the Sponsorship Scoring Model were discussed.
- In a last step, the results of the case study were looked at holistically and its implications for sponsorship management were considered. Implications are applicable on two management levels: First, there is some learning on a strategic level that might impact the overall sponsorship strategy or portfolio composition; second, there are implications from an

activation point of view, which were divided into three areas (on-site sponsor presence, media communication and hospitality events).

12.2. Outlook

The last question of this thesis is in what respect the present findings can help to stimulate the current academic discussion about sponsorship effects, and what the fields for further research are. An outlook for future research can be approached both from a theoretical and from an empirical point of view.

From a theoretical point of view, it must be stated that sponsorship research is still in its infancy. Giving the fast-paced growth of sponsorship investments, more approaches are needed to properly explain what effects can be expected from sponsorship. When looking at the few models that are available at the moment to explain sponsorship effects, it must be stated that these are often very high-level and quite hard to implement. None of the models really go into the details of one specific sponsorship area, nor do they try to explain differences between different types of sponsorship. To fill this gap, future approaches should focus rather on the following questions: What makes an event more successful in creating brand experience than another event? How can different reactions to different events and activation tactics be explained? Across all studies it was measured that there is generally a positive effect of sponsorship on brand perception. However, further research is needed to understand under which circumstances this effect is higher and when it is lower. The main question should not be if sponsorship works or if does not work; the question should rather be how sponsorship should be managed and activated to deploy its full potential. This is so important because the effects of sponsorship on consumers will always depend very much on how the sponsorship is communicated.

A further field of future theoretical research is the development of sponsorship assessment and evaluation models. In this thesis, a Sponsorship Scoring Model was developed that brought some insights about sponsorship efficiency to bear on the specific case of a wealth management company. However, there may be other models that are more appropriate to measure sponsorship effectiveness. Furthermore, it needs to be considered that the Sponsorship Scoring Model was especially developed for one specific firm, which does not mean that it can be applied to other firms. Overall, there is very little academic knowledge of how sponsorship effectiveness can be measured and results can be combined in order to build comprehensive evaluation systems. Future research should focus on applied approaches that look at specific cases and yield results that are actually giving applied insights for sponsorship decision makers.

From an empirical point of view, a range of aspects have already been covered in the current research. However, in this respect it must be stated that empirical works usually focus on one specific example of sponsorship without providing a broader picture or without comparing between different kinds of events. One of the main findings of the empirical work in this thesis was that obviously there are differences between the perception of different sponsorships, namely sports vs. cultural sponsorships, which has never before been empirically observed. This thesis also showed that there are strong differences between geographical regions, which might have strategic implications on the selection and management of sponsorship properties. A further point which should be investigated is how the sponsorship impact works across different target groups: Is the impact different between clients and prospects? What can be learnt about the reactions on the general public in different countries? How do different types of target audiences, e.g. the wealth management target audience vs. the retail banking target audience differ in terms of brand perception through sponsorship? Is the positive impact mainly driven by people who are interested in the sponsorship area, or is there an effect on the overall population? How does this differ between different types of sponsorship?

Although some of these questions were partly answered in this thesis, still a lot of research needs to be done to really understand how sponsorship works and how the brand-building potential of sponsorship can be exploited. Since every sponsorship activity is unique to a certain extent and is bound to very specific circumstances of the sponsor and the property, there may be a need for further case studies such as the one presented in this thesis to generate useful and practical insights.

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APPENDIX A: DATA TABLES

Brand Equity Monitor - tables

		Wave 4													
		France		Germany		Italy		Spain		CH		UK		US	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%
Aware of sailing	no	67	66	81	81	63	64	97	97	18	17	94	90	577	96
sponsorships	yes	34	34	19	19	36	36	3	3	90	83	10	10	21	4
Total		101	100	100	100	99	100	100	100	108	100	104	100	598	100
Aware of orchestral	no	95	94	82	82	86	87	82	82	76	70	96	92	536	90
music spons.	yes	6	6	18	18	13	13	18	18	32	30	8	8	62	10
Total		101	100	100	100	99	100	100	100	108	100	104	100	598	100
Aware of contemp.	no	96	95	84	84	93	94	89	89	64	59	101	97	535	89
art sponsorships	yes	5	5	16	16	6	6	11	11	44	41	3	3	63	11
Total		101	100	100	100	99	100	100	100	108	100	104	100	598	100
Aware of golf	no	88	87	94	94	97	98	95	95	88	81	95	91	488	82
sponsorships	yes	13	13	6	6	2	2	5	5	20	19	9	9	110	18
Total		101	100	100	100	99	100	100	100	108	100	104	100	598	100

		Wave 5													
		France		Germany		Italy		Spain		CH		UK		US	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%
Aware of sailing	no	85	83	76	78	64	64	86	86	12	16	93	91	580	97
sponsorships	yes	18	17	22	22	36	36	14	14	62	84	9	9	16	3
Total		103	100	98	100	100	100	100	100	74	100	102	100	596	100
Aware of orchestral	no	98	95	81	83	77	77	81	81	50	68	86	84	506	85
music spons.	yes	5	5	17	17	23	23	19	19	24	32	16	16	90	15
Total		103	100	98	100	100	100	100	100	74	100	102	100	596	100
Aware of contemp.	no	101	98	81	83	92	92	89	89	43	58	95	93	517	87
art sponsorships	yes	2	2	17	17	8	8	11	11	31	42	7	7	79	13
Total		103	100	98	100	100	100	100	100	74	100	102	100	596	100
Aware of golf	no	99	96	91	93	87	87	87	87	66	89	86	84	451	76
sponsorships	yes	4	4	7	7	13	13	13	13	8	11	16	16	145	24
Total		103	100	98	100	100	100	100	100	74	100	102	100	596	100

		Wave 6													
		France		Germany		Italy		Spain		CH		UK		US	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%
Aware of sailing	no	95	81	84	72	95	81	118	98	6	7	110	88	367	96
sponsorships	yes	23	19	33	28	22	19	2	2	83	93	15	12	14	4
Total		118	100	117	100	117	100	120	100	89	100	125	100	381	100
Aware of orchestral	no	111	94	98	84	102	87	119	99	62	70	98	78	359	94
music spons.	yes	7	6	19	16	15	13	1	1	27	30	27	22	22	6
Total		118	100	117	100	117	100	120	100	89	100	125	100	381	100
Aware of contemp.	no	104	88	99	85	112	96	120	100	48	54	115	92	370	97
art sponsorships	yes	14	12	18	15	5	4			41	46	10	8	11	3
Total		118	100	117	100	117	100	120	100	89	100	125	100	381	100
Aware of golf	no	109	92	112	96	111	95	119	99	79	89	118	94	300	79
sponsorships	yes	9	8	5	4	6	5	1	1	10	11	7	6	81	21
Total		118	100	117	100	117	100	120	100	89	100	125	100	381	100

Pre-post studies - tables

		Art exhibition (US)				Golf tournament (US)			
		Pre-Wave		Post-Wave		Pre-Wave		Post-Wave	
		n	%	n	%	n	%	n	%
Brand familiarity	Not very familiar	43	43	81	58	97	55	107	52
	Somewhat familiar	33	33	37	26	43	24	61	30
	Very familiar	25	25	22	16	37	21	36	18
Total		101	100	140	100	177	100	204	100
Brand favorability	Not very favorable	7	12	4	7	3	4	3	3
	Somewhat favourable	21	37	15	26	17	21	17	18
	Moderately favorable	22	39	32	55	27	34	49	51
	Very favorable	7	12	6	10	28	35	28	29
Total		57	100	58	100	80	100	97	100
Sponsorship awareness	Not aware	147	98	120	80	166	63	141	54
	Aided aware	n.a.	n.a.	n.a.	n.a.	51	19	41	16
	Unaided aware	3	2	30	20	46	17	80	31
Total		150	100	150	100	263	100	262	100

		Golf tournament (APAC)				Art exhibition (Europe)			
		Pre-Wave		Post-Wave		Pre-Wave		Post-Wave	
		n	%	n	%	n	%	n	%
Brand familiarity	Not very familiar	85	63	84	56	58	67	64	72
	Somewhat familiar	47	35	62	41	24	28	19	21
	Very familiar	2	1	4	3	5	6	6	7
Total		134	100	150	100	87	100	89	100
Brand consideration	Would not consider company	4	8	2	3	4	15	6	24
	Would consider company	26	53	28	42	18	69	15	60
	Company is preferred	19	39	34	52	4	15	4	16
	Company is the only firm	0	0	2	3	0	0	0	0
Total		49	100	66	100	26	100	25	100
Brand favorability	Not at all favorable	0	0	0	0	0	0	0	0
	Not very favorable	0	0	0	0	1	4	1	4
	Somewhat favourable	5	10	12	18	18	64	15	65
	Moderately favorable	41	84	44	67	7	25	7	30
	Very favorable	3	6	10	15	2	7	0	0
Total		49	100	66	100	28	100	23	100
Type of Sponsorship	Not aware	99	61	65	40	133	88	135	89
	Aided aware	53	33	67	42	16	11	14	9
	Unaided aware	10	6	29	18	2	1	2	1
Total		162	100	161	100	151	100	151	100

Global sponsorship study - tables for CULTURAL sponsorship

		CH		US		Europe		APAC		Total	
		n	%	n	%	n	%	n	%	n	%
The firm is a leader in its field	1 - Disagree strongly	27	14	31	16	72	14	12	3	142	11
	2	38	19	32	16	89	18	52	13	211	16
	3	57	29	64	32	155	31	142	35	418	32
	4	49	25	43	22	114	23	131	33	337	26
	5 - Agree strongly	26	13	30	15	53	11	65	16	174	13
	Don't know/Refused	3	2	0	0	17	3	0	0	20	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is financially stable	1 - Disagree strongly	6	3	20	10	40	8	4	1	70	5
	2	25	13	20	10	50	10	22	5	117	9
	3	49	25	61	31	146	29	100	25	356	27
	4	72	36	72	36	152	30	181	45	477	37
	5 - Agree strongly	43	22	27	14	94	19	94	23	258	20
	Don't know/Refused	5	3			18	4	1	0	24	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is successful	1 - Disagree strongly	11	6	19	10	34	7	5	1	69	5
	2	16	8	15	8	56	11	23	6	110	8
	3	55	28	59	30	142	28	103	26	359	28
	4	69	35	75	38	162	32	168	42	474	36
	5 - Agree strongly	45	23	32	16	86	17	103	26	266	20
	Don't know/Refused	4	2	0	0	20	4	0	0	24	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is innovative	1 - Disagree strongly	17	9	31	16	70	14	6	1	124	10
	2	28	14	35	18	75	15	33	8	171	13
	3	63	32	64	32	146	29	148	37	421	32
	4	56	28	52	26	129	26	140	35	377	29
	5 - Agree strongly	31	16	18	9	64	13	74	18	187	14
	Don't know/Refused	5	3			16	3	1	0	22	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is wasting its money with sponsorship	1 - Disagree strongly	101	51	88	44	181	36	158	39	528	41
	2	49	25	66	33	111	22	145	36	371	28
	3	27	14	27	14	103	21	73	18	230	18
	4	15	8	10	5	53	11	19	5	97	7
	5 - Agree strongly	4	2	6	3	40	8	6	1	56	4
	Don't know/Refused	4	2	3	2	12	2	1	0	20	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is one I feel more positively towards	1 - Disagree strongly	12	6	15	8	49	10	5	1	81	6
	2	25	13	19	10	52	10	23	6	119	9
	3	50	25	47	24	136	27	112	28	345	26
	4	60	30	76	38	156	31	178	44	470	36
	5 - Agree strongly	50	25	43	22	91	18	84	21	268	21
	Don't know/Refused	3	2	0	0	16	3	0	0	19	1
Total		200	100	200	100	500	100	402	100	1302	100
The firm is one I would consider doing business with	1 - Disagree strongly	17	9	23	12	78	16	8	2	126	10
	2	32	16	24	12	86	17	40	10	182	14
	3	56	28	61	31	127	25	158	39	402	31
	4	58	29	68	34	123	25	148	37	397	30
	5 - Agree strongly	32	16	23	12	69	14	48	12	172	13
	Don't know/Refused	5	3	1	1	17	3	0	0	23	2
Total		200	100	200	100	500	100	402	100	1302	100

Global sponsorship study - tables for SPORTS sponsorship

		CH		US		Europe		APAC		Total	
		n	%	n	%	n	%	n	%	n	%
The firm is a leader in its field	1 - Disagree strongly	28	14	56	28	72	14	14	3	170	13
	2	47	24	36	18	111	22	72	18	266	20
	3	48	24	57	29	133	27	116	29	354	27
	4	49	25	30	15	112	22	128	32	319	25
	5 - Agree strongly	24	12	20	10	48	10	72	18	164	13
	Don't know/Refused	4	2	1	1	24	5	0	0	29	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is financially stable	1 - Disagree strongly	11	6	34	17	40	8	5	1	90	7
	2	23	12	30	15	59	12	31	8	143	11
	3	48	24	49	25	119	24	88	22	304	23
	4	66	33	57	29	158	32	151	38	432	33
	5 - Agree strongly	49	25	30	15	98	20	126	31	303	23
	Don't know/Refused	3	2	0	0	26	5	1	0	30	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is successful	1 - Disagree strongly	10	5	23	12	33	7	5	1	71	5
	2	20	10	19	10	65	13	19	5	123	9
	3	56	28	64	32	143	29	112	28	375	29
	4	75	38	56	28	141	28	148	37	420	32
	5 - Agree strongly	37	19	38	19	95	19	118	29	288	22
	Don't know/Refused	2	1	0	0	23	5	0	0	25	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is innovative	1 - Disagree strongly	26	13	49	25	61	12	9	2	145	11
	2	22	11	49	25	68	14	21	5	160	12
	3	66	33	66	33	143	29	149	37	424	33
	4	51	26	22	11	128	26	147	37	348	27
	5 - Agree strongly	33	17	13	7	77	15	76	19	199	15
	Don't know/Refused	2	1	1	1	23	5	0	0	26	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is wasting its money with sponsorship	1 - Disagree strongly	86	43	72	36	195	39	172	43	525	40
	2	54	27	52	26	121	24	156	39	383	29
	3	35	18	32	16	92	18	55	14	214	16
	4	13	7	24	12	44	9	16	4	97	7
	5 - Agree strongly	10	5	20	10	28	6	3	1	61	5
	Don't know/Refused	2	1	0	0	20	4	0	0	22	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is one I feel more positively towards	1 - Disagree strongly	23	12	45	23	85	17	6	1	159	12
	2	33	17	38	19	65	13	26	6	162	12
	3	54	27	59	30	132	26	106	26	351	27
	4	49	25	37	19	123	25	172	43	381	29
	5 - Agree strongly	37	19	21	11	76	15	92	23	226	17
	Don't know/Refused	4	2	0	0	19	4	0	0	23	2
Total		200	100	200	100	500	100	402	100	1302	100
The firm is one I would consider doing business with	1 - Disagree strongly	38	19	60	30	102	20	15	4	215	17
	2	38	19	36	18	84	17	45	11	203	16
	3	57	29	64	32	129	26	148	37	398	31
	4	35	18	28	14	89	18	142	35	294	23
	5 - Agree strongly	28	14	12	6	73	15	52	13	165	13
	Don't know/Refused	4	2	0	0	23	5	0	0	27	2
Total		200	100	200	100	500	100	402	100	1302	100

On-site studies - tables for golf and sailing events

		Golf Events						Contemporary art events			
		Golf Tournament (Europe)		Golf Tournament (APAC)		Golf Tournament (APAC)		Art fair (Europe)		Art fair (US)	
		n	%	n	%	n	%	n	%	n	%
Age groups	18 to 24	17	8	6	3	2	1	5	2	64	20
	25 to 34	27	12	49	25	23	11	50	20	82	25
	35 to 44	49	22	64	32	50	24	52	20	50	15
	45 to 54	55	25	43	22	45	22	73	29	43	13
	55 to 64	57	26	26	13	58	28	45	18	62	19
	65 to 74	14	6	9	5	28	14	28	11	19	6
	75+	4	2	3	2	1	0	2	1	8	2
Total		223	100	200	100	207	100	255	100	328	100
Gender	Male	135	61	137	69	156	75	151	59	137	42
	Female	88	39	63	32	51	25	104	41	191	58
Total		223	100	200	100	207	100	255	100	328	100
Unaided spons. awareness	no	107	48	13	7	138	67	113	44	243	74
	yes	116	52	187	94	69	33	142	56	85	26
Total		223	100	200	100	207	100	255	100	328	100
Tota spons. awareness	not aware	47	21	1	1	80	39	59	23	177	54
	aware	176	79	199	100	127	61	196	77	151	46
Total		223	100	200	100	207	100	255	100	328	100
Familiarity	never heard before	34	15	35	18	87	42	27	11	164	52
	not very familiar	70	32	90	45	111	54	64	25	84	26
	somewhat familiar	66	30	55	28	7	3	76	30	46	15
	very familiar	52	23	20	10	2	1	88	35	23	7
Total		222	100	200	100	207	100	255	100	317	100
Favorability	not at all favorable	1	1	2	3	3	7	10	5	1	3
	not very favorable	3	3	2	3	2	5	26	12	2	5
	somewhat favorable	9	8	28	37	15	34	57	26	19	51
	moderately favorable	50	42	34	45	12	27	74	33	10	27
	very favorable	55	47	9	12	12	27	54	24	5	14
Total		118	100	75	100	44	100	221	100	37	100
Consideration	would not consider	7	6	7	9	3	33			6	18
	would consider	40	34	34	45	3	33			25	74
	preferred	67	57	27	36	3	33			3	9
	only	4	3	7	9						
Total		118	100	75	100	9	100			34	100

On-site studies - tables for orchestral music and contemporary arts events

		Orchestral Music events										Sailing Event	
		Music Concert (Europe)		Music Concert (Europe)		Music Concert (US)		Music concert (Europe)		Music Festival (Europe)		Sailing Regatta (Europe)	
		n	%	n	%	n	%	n	%	n	%	n	%
Age groups	18 to 24	5	3	6	4	9	4			4	3	12	7
	25 to 34	21	13	12	8	14	7	8	11	7	5	23	13
	35 to 44	21	13	13	9	9	4	6	8	16	12	36	20
	45 to 54	36	23	26	17	23	11	11	15	32	24	42	24
	55 to 64	37	23	47	31	42	20	19	25	37	28	42	24
	65 to 74	28	18	35	23	69	33	22	29	27	21	19	11
	75+	10	6	12	8	45	21	9	12	8	6	4	2
Total		158	100	151	100	211	100	75	100	131	100	178	100
Gender	Male	91	58	94	62	72	34	37	49	67	51	112	63
	Female	67	42	57	38	139	66	38	51	64	49	66	37
Total		158	100	151	100	211	100	75	100	131	100	178	100
Unaided spons. awareness	no	97	61	72	48	174	82	46	61	24	18	38	21
	yes	61	39	79	52	37	18	29	39	107	82	140	79
Total		158	100	151	100	211	100	75	100	131	100	178	100
Tota spons. awareness	not aware	43	27	35	23	104	49	21	28	5	4	14	8
	aware	115	73	116	77	107	51	54	72	126	96	164	92
Total		158	100	151	100	211	100	75	100	131	100	178	100
Familiarity	never heard before	19	12	11	7	120	57	14	19	5	4	9	5
	not very familiar	74	47	99	66	58	27	45	60	21	16	46	26
	somewhat familiar	52	33	36	24	22	10	11	15	34	26	54	30
	very familiar	13	8	5	3	11	5	5	7	71	54	69	39
Total		158	100	151	100	211	100	75	100	131	100	178	100
Favorability	not at all favorable			1	3	1	3			4	4	2	2
	not very favorable	1	2	1	3	3	9			4	4	6	5
	somewhat favorable	9	15	7	19	5	15			18	17	27	22
	moderately favorable	36	60	18	49	9	27	7	50	34	32	49	40
	very favorable	14	23	10	27	15	45	7	50	45	43	39	32
Total		60	100	37	100	33	100	14	100	105	100	123	100
Consideration	would not consider	4	7	2	6			2	14	12	12	9	7
	would consider	42	75	29	81	22	67	9	64	40	39	55	45
	preferred	10	18	5	14	9	27	3	21	46	45	53	43
	only					2	6			5	5	6	5
Total		56	100	36	100	33	100	14	100	103	100	123	100

Appendix B - SPSS Outputs of Statistical Analysis

Brand Equity Monitor - Categorical Regression on Brand Consideration

Case Processing Summary

Valid Active Cases	2343
Active Cases with Missing Values	1107
Supplementary Cases	0
Total	3450
Cases Used in Analysis	2343

Model Summary

Multiple R	R Square	Adjusted R Square
.253	.064	.061

Dependent Variable: Consideration

Predictors: Aware of sailing sponsorships Aware of orchestral music sponsorships
Aware of contemporary art sponsorships Aware of golf sponsorships

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	149.522	7	21.360	22.738	.000
Residual	2193.478	2335	.939		
Total	2343.000	2342			

Dependent Variable: Consideration

Predictors: Aware of sailing sponsorships Aware of orchestral music sponsorships
Aware of contemporary art sponsorships Aware of golf sponsorships

Coefficients

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of sailing sponsorships	.203	.021	2	95.819	.000
Aware of orchestral music sponsorships	.037	.022	1	2.735	.098
Aware of contemporary art sponsorships	.087	.023	2	14.603	.000
Aware of golf sponsorships	-.023	.020	2	1.315	.269

Dependent Variable: Consideration

Correlations and Tolerance

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transform ation	Before Transform ation
Aware of sailing sponsorships	.231	.199	.196	.734	.932	.932
Aware of orchestral music sponsorships	.107	.034	.033	.062	.795	.795
Aware of contemporary art sponsorships	.149	.079	.077	.203	.774	.774
Aware of golf sponsorships	-.001	-.024	-.023	.001	.961	.961

Dependent Variable: Consideration

Brand Equity Monitor - Crosstabulations for Brand Consideration

		Aware of sailing sponsorships			
		no		yes	
		Count	%	Count	%
Consideration	would not consider the company	646	36%	127	22%
	would consider the company	963	54%	289	51%
	company is among preferred firms	139	8%	132	23%
	company is the only firm	26	1%	21	4%
	Total	1774	100%	569	100%

		Aware of orchestral music sponsorships			
		no		yes	
		Count	%	Count	%
Consideration	would not consider the company	653	35%	120	26%
	would consider the company	1008	53%	244	53%
	company is among preferred firms	193	10%	78	17%
	company is the only firm	32	2%	15	3%
	Total	1886	100%	457	100%

		Aware of contemporary art sponsorships			
		no		yes	
		Count	%	Count	%
Consideration	would not consider the company	688	35%	85	21%
	would consider the company	1032	53%	220	55%
	company is among preferred firms	190	10%	81	20%
	company is the only firm	35	2%	12	3%
	Total	1945	100%	398	100%

		Aware of golf sponsorships			
		no		yes	
		Count	%	Count	%
Consideration	would not consider the company	616	33%	157	33%
	would consider the company	998	53%	254	53%
	company is among preferred firms	215	12%	56	12%
	company is the only firm	39	2%	8	2%
	Total	1868	100%	475	100%

Pearson Chi-Square Tests

		Aware of sailing sponsorships	Aware of orchestral music sponsorships	Aware of contemporary art sponsorships	Aware of golf sponsorships
Consideration	Chi-square	125.474	27.269	54.404	.334
	df	3	3	3	3
	Sig.	.000*	.000*	.000*	.954

Results are based on nonempty rows and columns in each innermost subtable.

*. The Chi-square statistic is significant at the 0.05 level.

Brand Equity Monitor - t-test for Brand Favorability

	Aware of sailing sponsorships		Aware of orchestral music sponsorships		Aware of contemporary art sponsorships	
	no	yes	no	yes	no	yes
Favorability (1-9)	5.70	6.35	5.89	6.07	5.83	6.29

	Aware of golf sponsorships	
	no	yes
Favorability (1-9)	6.00	5.73

Group Statistics

	Aware of sailing sponsorships	N	Mean	Std. Deviation	Std. Error Mean
Favorability (1-9)	no	611	5.6989	1.87765	.07596
	yes	353	6.3513	1.82816	.09730

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Favorability (1-9)	Equal variances assumed	.005	.944	-5.25	962	.000	-.65242	.12433
	Equal variances not assumed			-5.29	751	.000	-.65242	.12344

Group Statistics

	Aware of golf sponsorships	N	Mean	Std. Deviation	Std. Error Mean
Favorability (1-9)	no	751	5.9960	1.90122	.06938
	yes	213	5.7324	1.81678	.12448

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Favorability (1-9)	Equal variances assumed	.386	.535	1.803	962	.072	.26361	.14617
	Equal variances not assumed			1.850	354.5	.065	.26361	.14251

Group Statistics

	Aware of orchestral music sponsorships	N	Mean	Std. Deviation	Std. Error Mean
Favorability (1-9)	no	727	5.8941	1.88909	.07006
	yes	237	6.0717	1.87058	.12151

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Favorability (1-9)	Equal variances assumed	.065	.799	-1.26	962	.208	-.17764	.14096
	Equal variances not assumed			-1.27	404	.206	-.17764	.14026

Group Statistics

	Aware of contemporary art sponsorships	N	Mean	Std. Deviation	Std. Error Mean
Favorability (1-9)	no	730	5.8260	1.87866	.06953
	yes	234	6.2863	1.86660	.12202

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Favorability (1-9)	Equal variances assumed	.165	.685	-3.267	962	.001	-.4603	.14091
	Equal variances not assumed			-3.277	395.5	.001	-.4603	.14044

Brand Equity Monitor - Categorical Regression on Brand Familiarity

Case Processing Summary

Valid Active Cases	2437
Active Cases with Missing Values	0
Supplementary Cases	0
Total	2437
Cases Used in Analysis	2437

Model Summary

Multiple R	R Square	Adjusted R Square
.449	.202	.199

Dependent Variable: Level of brand familiarity

Predictors: Has seen advertising from the company Has heard news about the company Friends / co-workers mentioned the company Is aware of sponsorships of the company Received any contact from the company in last 3 months

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	492.077	10	49.208	61.379	.000
Residual	1944.923	2426	.802		
Total	2437.000	2436			

Dependent Variable: Level of brand familiarity

Predictors: Has seen advertising from the company Has heard news about the company Friends / co-workers mentioned the company Is aware of sponsorships of the company Received any contact from the company in last 3 months

Coefficients

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Has seen advertising from the company	.023	.018	2	1.548	.213
Has heard news about the company	.160	.019	2	68.622	.000
Friends / co-workers mentioned the company	.197	.019	2	104.662	.000
Is aware of sponsorships of the company	.115	.019	2	37.318	.000
Reveived any contact from the company in last 3 months	.222	.019	2	136.674	.000

Dependent Variable: Level of brand familiarity

Correlations and Tolerance

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transformation	Before Transformation
Has seen advertising from the company	.069	.025	.023	.008	.984	.984
Has heard news about the company	.280	.166	.150	.222	.883	.883
Friends / co-workers mentioned the company	.310	.203	.186	.302	.889	.889
Is aware of sponsorships of the company	.209	.123	.111	.119	.929	.929
Reveived any contact from the company in last 3 months	.317	.231	.212	.349	.911	.911

Dependent Variable: Level of brand familiarity

Level of brand familiarity^a

Category	Frequency	Quantification
not very familiar	1430	-.718
somewhat familiar	704	.492
very familiar	303	2.247

a. Optimal Scaling Level: Ordinal.

Has seen advertising from the company^a

Category	Frequency	Quantification
no	1817	-.584
yes	620	1.712

a. Optimal Scaling Level: Spline Ordinal (Degree 2, Interior Knots 0).

Has heard news about the company^a

Category	Frequency	Quantification
no	1541	-.763
yes	896	1.311

a. Optimal Scaling Level: Spline Ordinal (Degree 2, Interior Knots 0).

Friends / co-workers mentioned the company^a

Category	Frequency	Quantification
no	2127	-.382
yes	310	2.619

a. Optimal Scaling Level: Spline Ordinal (Degree 2, Interior Knots 0).

Is aware of sponsorships of the company^a

Category	Frequency	Quantification
no	1237	-.985
yes	1200	1.015

a. Optimal Scaling Level: Spline Ordinal (Degree 2, Interior Knots 0).

Pre-post studies - Categorical Regression on Brand Consideration

Golf Tournament in APAC

Case Processing Summary

Valid Active Cases	115
Active Cases with Missing Values	208
Supplementary Cases	0
Total	323
Cases Used in Analysis	115

Model Summary

Multiple R	R Square	Adjusted R Square
.137	.019	.001

Dependent Variable: Brand consideration

Predictors: Aware of Sponsorship

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.147	2	1.074	1.065	.348
Residual	112.853	112	1.008		
Total	115.000	114			

Dependent Variable: Brand consideration

Predictors: Aware of Sponsorship

Coefficients

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of Sponsorship	.137	.094	2	2.131	.124

Dependent Variable: Brand consideration

Correlations and Tolerance

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transform ation	Before Transform ation
Aware of Sponsorship	.137	.137	.137	1.000	1.000	1.000

Dependent Variable: Brand consideration

Art Exhibition in Europe

Case Processing Summary

Valid Active Cases	51
Active Cases with Missing Values	251
Supplementary Cases	0
Total	302
Cases Used in Analysis	51

Model Summary

Multiple R	R Square	Adjusted R Square
.243	.059	.020

Dependent Variable: Brand consideration

Predictors: Aware of Sponsorship

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.001	2	1.501	1.501	.233
Residual	47.999	48	1.000		
Total	51.000	50			

Dependent Variable: Brand consideration

Predictors: Aware of Sponsorship

Coefficients

	Standardized Coefficients		df	F	Sig.
	Beta	Std. Error			
Aware of Sponsorship	.243	.140	2	3.001	.059

Dependent Variable: Brand consideration

Correlations and Tolerance

	Correlations			Importance	Tolerance	
	Zero-Order	Partial	Part		After Transform ation	Before Transform ation
Aware of Sponsorship	.243	.243	.243	1.000	1.000	1.000

Dependent Variable: Brand consideration

Global Sponsorship Study - Wilcoxon Signed Ranks Test

Total Sample

Ranks

		N	Mean Rank	Sum of Ranks
The firm is a leader in its field - The firm is a leader in its field	Negative Ranks	278	311.79	86678.50
	Positive Ranks	358	323.71	115887.50
	Ties	666		
	Total	1302		
The firm is financially stable - The firm is financially stable	Negative Ranks	286	266.80	76305.50
	Positive Ranks	270	290.89	78540.50
	Ties	746		
	Total	1302		
The firm is successful - The firm is successful	Negative Ranks	309	306.24	94628.50
	Positive Ranks	314	317.67	99747.50
	Ties	679		
	Total	1302		
The firm is innovative - The firm is innovative	Negative Ranks	299	310.39	92807.50
	Positive Ranks	319	308.66	98463.50
	Ties	684		
	Total	1302		
The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship	Negative Ranks	315	285.75	90011.50
	Positive Ranks	282	313.80	88491.50
	Ties	705		
	Total	1302		
The firm is one I feel more positively towards - The firm is one I feel more positively towards	Negative Ranks	228	310.97	70902.00
	Positive Ranks	431	340.06	146568.00
	Ties	643		
	Total	1302		
The firm is one I would consider doing business with - The firm is one I would consider doing business with	Negative Ranks	220	275.28	60562.00
	Positive Ranks	386	319.58	123359.00
	Ties	696		
	Total	1302		

Test Statistics^c

	The firm is a leader in its field - The firm is a leader in its field	The firm is financially stable - The firm is financially stable	The firm is successful - The firm is successful	The firm is innovative - The firm is innovative	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship
Z	-3.308 ^a	-.313 ^a	-.607 ^a	-.668 ^a	-.185 ^b
Asymp. Sig. (2-tailed)	.001	.754	.544	.504	.853

Test Statistics^c

	The firm is one I feel more positively towards - The firm is one I feel more positively towards	The firm is one I would consider doing business with - The firm is one I would consider doing business with
Z	-8.041 ^a	-7.582 ^a
Asymp. Sig. (2-tailed)	.000	.000

a. Based on negative ranks.

b. Based on positive ranks.

c. Wilcoxon Signed Ranks Test

By Region

Ranks

Region			N	Mean Rank	Sum of Ranks
CH	The firm is a leader in its field - The firm is a leader in its field	Negative Ranks	43	48.81	2099.00
		Positive Ranks	53	48.25	2557.00
		Ties	104		
		Total	200		
	The firm is financially stable - The firm is financially stable	Negative Ranks	41	39.83	1633.00
		Positive Ranks	42	44.12	1853.00
		Ties	117		
		Total	200		
	The firm is successful - The firm is successful	Negative Ranks	42	45.44	1908.50
		Positive Ranks	49	46.48	2277.50
		Ties	109		
		Total	200		
	The firm is innovative - The firm is innovative	Negative Ranks	46	45.66	2100.50
		Positive Ranks	51	52.01	2652.50
		Ties	103		
		Total	200		
US	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship	Negative Ranks	52	39.01	2028.50
		Positive Ranks	28	43.27	1211.50
		Ties	120		
		Total	200		
	The firm is one I feel more positively towards - The firm is one I feel more positively towards	Negative Ranks	37	46.88	1734.50
		Positive Ranks	68	56.33	3830.50
		Ties	95		
		Total	200		
	The firm is one I would consider doing business with - The firm is one I would consider doing business with	Negative Ranks	28	44.13	1235.50
		Positive Ranks	73	53.64	3915.50
		Ties	99		
		Total	200		
	The firm is a leader in its field - The firm is a leader in its field	Negative Ranks	21	43.33	910.00
		Positive Ranks	78	51.79	4040.00
		Ties	101		
		Total	200		

Ranks

Region			N	Mean Rank	Sum of Ranks
US	The firm is financially stable - The firm is financially stable	Negative Ranks	38	45.09	1713.50
		Positive Ranks	64	55.30	3539.50
		Ties	98		
		Total	200		
	The firm is successful - The firm is successful	Negative Ranks	36	43.68	1572.50
		Positive Ranks	51	44.23	2255.50
		Ties	113		
		Total	200		
	The firm is innovative - The firm is innovative	Negative Ranks	17	45.21	768.50
		Positive Ranks	76	47.40	3602.50
		Ties	107		
		Total	200		
	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship	Negative Ranks	72	57.43	4135.00
		Positive Ranks	35	46.94	1643.00
		Ties	93		
		Total	200		
	The firm is one I feel more positively towards - The firm is one I feel more positively towards	Negative Ranks	22	61.05	1343.00
		Positive Ranks	111	68.18	7568.00
		Ties	67		
		Total	200		
	The firm is one I would consider doing business with - The firm is one I would consider doing business with	Negative Ranks	16	40.84	653.50
		Positive Ranks	94	57.99	5451.50
		Ties	90		
		Total	200		
Europe	The firm is a leader in its field - The firm is a leader in its field	Negative Ranks	126	126.61	15953.00
		Positive Ranks	131	131.30	17200.00
		Ties	243		
		Total	500		
	The firm is financially stable - The firm is financially stable	Negative Ranks	124	111.49	13825.00
		Positive Ranks	103	117.02	12053.00
		Ties	273		
		Total	500		
	The firm is successful - The firm is successful	Negative Ranks	146	140.39	20496.50
		Positive Ranks	141	147.74	20831.50
		Ties	213		
		Total	500		
	The firm is innovative - The firm is innovative	Negative Ranks	150	147.42	22112.50
		Positive Ranks	127	129.06	16390.50
		Ties	223		
		Total	500		
	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship	Negative Ranks	125	125.11	15639.00
		Positive Ranks	139	139.14	19341.00
		Ties	236		
		Total	500		
	The firm is one I feel more positively towards - The firm is one I feel more positively towards	Negative Ranks	92	130.03	11962.50
		Positive Ranks	173	134.58	23282.50
		Ties	235		
		Total	500		
	The firm is one I would consider doing business with - The firm is one I would consider doing business with	Negative Ranks	102	119.10	12148.50
		Positive Ranks	141	124.10	17497.50
		Ties	257		
		Total	500		

Ranks

Region			N	Mean Rank	Sum of Ranks
APAC	The firm is a leader in its field - The firm is a leader in its field	Negative Ranks	88	91.11	8017.50
		Positive Ranks	96	93.78	9002.50
		Ties	218		
		Total	402		
	The firm is financially stable - The firm is financially stable	Negative Ranks	83	71.45	5930.00
		Positive Ranks	61	73.93	4510.00
		Ties	258		
		Total	402		
	The firm is successful - The firm is successful	Negative Ranks	85	78.92	6708.50
		Positive Ranks	73	80.17	5852.50
		Ties	244		
		Total	402		
	The firm is innovative - The firm is innovative	Negative Ranks	86	73.06	6283.50
		Positive Ranks	65	79.88	5192.50
		Ties	251		
		Total	402		
	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship	Negative Ranks	66	64.29	4243.00
		Positive Ranks	80	81.10	6488.00
		Ties	256		
		Total	402		
	The firm is one I feel more positively towards - The firm is one I feel more positively towards	Negative Ranks	77	80.81	6222.50
		Positive Ranks	79	76.25	6023.50
		Ties	246		
		Total	402		
	The firm is one I would consider doing business with - The firm is one I would consider doing business with	Negative Ranks	74	71.81	5314.00
		Positive Ranks	78	80.95	6314.00
		Ties	250		
		Total	402		

Test Statistics^c

Region		The firm is a leader in its field - The firm is a leader in its field	The firm is financially stable - The firm is financially stable	The firm is successful - The firm is successful	The firm is innovative - The firm is innovative	The firm is wasting its money with sponsorship - The firm is wasting its money with sponsorship
CH	Z	-.877 ^a	-.526 ^a	-.763 ^a	-1.048 ^a	-2.035 ^b
	Asymp. Sig. (2-tailed)	.381	.599	.445	.295	.042
US	Z	-5.735 ^a	-3.219 ^a	-1.544 ^a	-5.659 ^a	-3.976 ^b
	Asymp. Sig. (2-tailed)	.000	.001	.123	.000	.000
Europe	Z	-.542 ^a	-.939 ^b	-.126 ^a	-2.211 ^b	-1.515 ^a
	Asymp. Sig. (2-tailed)	.588	.348	.900	.027	.130
APAC	Z	-.732 ^a	-1.558 ^b	-.817 ^b	-1.112 ^b	-2.294 ^a
	Asymp. Sig. (2-tailed)	.464	.119	.414	.266	.022

Test Statistics^c

Region		The firm is one I feel more positively towards - The firm is one I feel more positively towards	The firm is one I would consider doing business with - The firm is one I would consider doing business with
CH	Z	-3.453 ^a	-4.702 ^a
	Asymp. Sig. (2-tailed)	.001	.000
US	Z	-7.154 ^a	-7.331 ^a
	Asymp. Sig. (2-tailed)	.000	.000
Europe	Z	-4.684 ^a	-2.529 ^a
	Asymp. Sig. (2-tailed)	.000	.011
APAC	Z	-.191 ^b	-.986 ^a
	Asymp. Sig. (2-tailed)	.848	.324

a. Based on negative ranks.

b. Based on positive ranks.

c. Wilcoxon Signed Ranks Test

CURRICULUM VITAE

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